

LIEUTENANTS (JUNIOR GRADE)

Van L. Johnson, Jr.
Charles W. Lynds
John J. Stifter, Jr.

The following-named officers to the grades indicated in the Medical Service Corps of the Navy:

LIEUTENANT COMMANDERS

Alan D. Grinstead
Claude V. Timberlake, Jr.

LIEUTENANTS

James W. Bagby, Jr. Alf R. Hagen
Benjamin F. Burgess, Frederick O. Ottie Jr.

LIEUTENANTS (JUNIOR GRADE)

Joseph P. Factor Solomon C. Pflug
Joseph J. Martorano Robert F. Rigg

The following-named officers to the grades indicated in the Nurse Corps of the Navy:

LIEUTENANTS

Irena G. Cook
Lois G. Moyer
Alma M. Shebakis

LIEUTENANTS (JUNIOR GRADE)

Julia M. Blair Mary A. Moniz
Lucille F. Finney Rose M. Ralston
Juliet M. Kouns Mary E. Whalen

ENSIGNS

Dorothy M. Moon
Rita A. Sieland

WITHDRAWAL

Executive nomination withdrawn from the Senate May 10, 1948:

POSTMASTER

Mrs. Mabel S. Merz to be postmaster at Ivyland, in the State of Pennsylvania.

HOUSE OF REPRESENTATIVES

MONDAY, MAY 10, 1948

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal God, our Father, be Thou our guardian and our guide. We pray that we may serve the state with pronounced conviction and fidelity, with heart and mind assured that these may be hours of wise decisions and selfless endeavors.

Deliver us from frantic boasts and foolish words, and help us to assimilate Thy precepts to the honor of all men.

We praise Thee that with one accord our country has set apart a day called by the most endearing name of all—Mother. For the sake of her who formed our first prayer into words and folded our hands in reverence, we pray that no shame or defilement will ever cause us to shadow her name. O let her memory rule and transform our conduct until our natures are stirred with its blessing. Through Christ our Lord. Amen.

The Journal of the proceedings of Thursday, May 6, 1948, was read and approved.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House:

XCIV—347

MAY 10, 1948.

The Honorable the SPEAKER,

House of Representatives.

DEAR SIR: Pursuant to the authority heretofore agreed to, the Clerk received from the Secretary of the Senate on May 7 the following message:

"That the Senate agree to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6055) entitled 'An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes.'

"That the Senate had passed with amendments the bill (H. R. 6226) entitled 'An act making supplemental appropriations for the national defense for the fiscal year ending June 30, 1948, and for other purposes,' insists upon its amendments to said bill, requests a conference with the House of Representatives on the disagreeing votes of the two Houses thereon, and has appointed Mr. BRIDGES, Mr. BROOKS, Mr. GURNEY, Mr. BALL, Mr. McKELLAR, Mr. HAYDEN, and Mr. TYDINGS conferees on the part of the Senate; and

"That the Senate disagree to the amendment of the House of Representatives to the bill (S. 2287) entitled 'An act to amend the Reconstruction Finance Corporation Act, as amended, and for other purposes,' requests a conference with the House of Representatives on the disagreeing votes of the two Houses thereon, and has appointed Mr. BUCK, Mr. BRICKER, Mr. CAPEHART, Mr. MAYBANK, and Mr. FULBRIGHT conferees on the part of the Senate."

Very truly yours,

JOHN ANDREWS,

Clerk of the House of Representatives.

ENROLLED BILL SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had on May 7, 1948, examined and found truly enrolled a bill of the House of the following title:

H. R. 6055. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes.

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on May 6, 1948, he did on May 7, 1948, sign the following enrolled bill:

H. R. 6055. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1948, and for other purposes.

PERSONAL PRIVILEGE

Mr. CANNON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Speaker, the gentleman from Wisconsin [Mr. KEEFE] on last Thursday, as reported in the daily RECORD on page 5590, made this statement: "the gentleman from Missouri, who has the facility for making statements that sometimes do not accord with the facts."

And later on: "as the gentleman from Missouri well knows."

Mr. Speaker, I do not always hear everything that is said on the floor, and I did not hear the statement at the time and did not know anything about it until I saw it in the RECORD.

Therefore, Mr. Speaker, I ask unanimous consent for the immediate consideration of a resolution (H. Res. 587) which I send to the desk.

The Clerk read as follows:

Resolved, That the remarks of the gentleman from Wisconsin [Mr. KEEFE] beginning with the words "who has" on page 5590 of the daily RECORD down to and including the words "the facts" be stricken from the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON. Mr. Speaker, this resolution strikes out 15 words, as follows: "who has the facility for making statements that sometimes do not accord with the facts."

Mr. Speaker, those words are in flagrant violation of the rules of decorum of the House of Representatives, as well as every other parliamentary body in the world. Such words are never printed in the CONGRESSIONAL RECORD. As it is a subject which does not admit of debate, I move the previous question on the resolution.

Mr. HOFFMAN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN. Mr. Speaker, if the previous question is ordered, then we will not even have an opportunity to debate this matter; is that not correct?

The SPEAKER. The gentleman has stated the situation correctly.

The question is on ordering the previous question.

The question was taken; and on a division there were—ayes 22, noes 29.

So the previous question was not ordered.

Mr. CANNON. Mr. Speaker, I do not desire to be heard on the question.

Mr. RAYBURN. Mr. Speaker, I ask for recognition just to say one word.

The SPEAKER. The gentleman from Texas is recognized.

Mr. RAYBURN. Why the previous question was voted down is a little amazing to me. I cannot conceive of anybody wanting to debate the question of whether or not a Member of this House would tell the truth.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken; and the Speaker being in doubt, on a division there were—ayes 33, noes 37.

Mr. CANNON. Mr. Speaker, I make the point of order that a quorum is not present, and I object to the vote on the ground that a quorum is not present.

The SPEAKER. Obviously a quorum is not present. The roll call is automatic.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 121, nays 171, answered "present" 2, not voting 137, as follows:

[Roll No. 57]

YEAS—121

Abernethy	Beckworth	Brooks
Albert	Blatnik	Brown, Ga.
Allen, La.	Boggs, La.	Bryson
Andrews, Ala.	Bonner	Buchanan

Bulwinkle	Gregory	Pace
Burleson	Hardy	Passman
Byrne, N. Y.	Harless, Ariz.	Patman
Camp	Harris	Peden
Cannon	Harrison	Pickett
Carroll	Havener	Poage
Celler	Hollfield	Preston
Colmer	Huber	Price, Fla.
Combs	Jackson, Wash.	Price, Ill.
Cooley	Jones, Ala.	Priest
Cooper	Karsten, Mo.	Rankin
Courtney	Kefauver	Rayburn
Cox	Kelley	Regan
Cravens	Kerr	Richards
Davis, Ga.	Kilday	Rogers, Fla.
Davis Tenn.	King	Sabath
Dingell	Lanham	Sadowski
Domengeaux	Lea	Sasser
Donohue	Lesinski	Schwabe, Mo.
Eberharter	Lucas	Smathers
Elliott	McCormack	Smith, Va.
Ewins	McMillan, S. C.	Somers
Feighan	Mahon	Spence
Fernandez	Manasco	Teague
Fisher	Manasfield	Thomas, Tex.
Flannagan	Mason	Thompson
Folger	Merrow	Trimble
Forand	Mills	Vinson
Garmatz	Monroney	Walter
Gary	Morris	Wheeler
Gathings	Morrison	Whittington
Gordon	Muhlenberg	Wilson, Tex.
Gore	Multer	Winstead
Gorski	Murray, Tenn.	Wood
Gossett	Norrell	Worley
Granger	Norton	
Grant Ala.	O'Brien	

NAYS—171

Allen, Calif.	Gamble	Michener
Allen, Ill.	Gavin	Miller, Conn.
Anderson, Calif.	Gearhart	Miller, Md.
Angell	Gillette	Miller, Nebr.
Arends	Gillie	Morton
Arnold	Goff	Murray, Wis.
Auchincloss	Goodwin	Nicholson
Bakewell	Graham	Nixon
Bates, Mass.	Grant, Ind.	Norblad
Bender	Griffiths	O'Hara
Bennett, Mich.	Gross	O'Konski
Bishop	Gwynne, Iowa	Owens
Blackney	Hagen	Patterson
Boggs, Del.	Hale	Phillips, Calif.
Bolton	Harness, Ind.	Phillips, Tenn.
Bradley	Harvey	Potter
Bramblett	Herter	Ramey
Brehm	Heslerton	Reed, Ill.
Brophy	Hess	Reed, N. Y.
Brown, Ohio	Hill	Rees
Buck	Hinshaw	Reeves
Buffett	Hoeven	Rich
Burke	Hoffman	Riehlman
Busbey	Holmes	Rizley
Byrnes, Wis.	Hope	Rockwell
Carson	Horan	Rogers, Mass.
Case, N. J.	Hull	Ross
Chenoweth	Jenkins, Pa.	Russell
Chiperfield	Jensen	Sadlak
Church	Johnson, Calif.	St. George
Clason	Johnson, Ill.	Sanborn
Clevenger	Johnson, Ind.	Sarbacher
Coffin	Jonkman	Schwabe, Okla.
Cole, Mo.	Judd	Scrivner
Cole, N. Y.	Keating	Seely-Brown
Cotton	Keefe	Short
Coudert	Kersten, Wis.	Simpson, Ill.
Crawford	Kilburn	Smith, Kans.
Crow	Knutson	Smith, Maine
Cunningham	Landis	Smith, Wis.
Curtis	LeCompte	Snyder
Dague	LeFevre	Stefan
Davis, Wis.	Lewis, Ohio	Stevenson
Dawson, Utah	Lodge	Stockman
Devitt	Love	Sundstrom
D'Ewart	McConnell	Taber
Dirksen	McDonough	Talle
Dolliver	McDowell	Tibbott
Dondero	McMahon	Tollefson
Eaton	McMillen, Ill.	Van Zandt
Ellsworth	Mack	Vorys
Elston	MacKinnon	Wadsworth
Engel, Mich.	Macy	Wigglesworth
Fellows	Maloney	Wolcott
Fenton	Martin, Iowa	Wolverton
Foote	Meade, Ky.	Woodruff
Fulton	Meyer	Youngblood

ANSWERED "PRESENT"—2
Chadwick Jones, Wash

NOT VOTING—137

Abbitt	Andrews, N. Y.	Battle
Andersen	Banta	Beall
H. Carl	Barden	Bell
Andresen,	Barrett	Bennett, Mo.
August H.	Bates, Ky.	Bland

Bloom	Isacson	O'Toole
Boykin	Jackson, Calif.	Peterson
Buckley	Jarman	Pfeffer
Butler	Javits	Philbin
Cainfield	Jonelson	Ploeser
Case, S. Dak.	Jenkins, Ohio	Plumley
Chapman	Jennings	Potts
Chelf	Johnson, Okla.	Poulson
Clark	Johnson, Tex.	Powell
Clippinger	Jones, N. C.	Rains
Cole, Kans.	Kean	Redden
Corbett	Kearney	Riley
Crosser	Kearns	Rivers
Dawson, Ill.	Kee	Robertson
Deane	Kennedy	Rohrbough
Delaney	Keogh	Rooney
Dorn	Kirwan	Scoblick
Doughton	Klein	Scott, Hardie
Douglas	Kunkel	Scott,
Durham	Lane	Hugh D., Jr.
Ellis	Larcade	Shafer
Elsaesser	Latham	Sheppard
Engle, Calif.	Lemke	Sikes
Fallon	Lewis, Ky.	Simpson, Pa.
Fletcher	Lichtenwalter	Smith, Ohio
Fogarty	Ludlow	Stanley
Fuller	Lusk	Stigler
Gallagher	Lyle	Stratton
Gwinn, N. Y.	Lynch	Taylor
Hall,	McCowen	Thomas, N. J.
Edwin Arthur	McCulloch	Towe
Hall,	McGarvey	Twyman
Leonard W.	McGregor	Vail
Halleck	Madden	Vursell
Hand	Marcantonio	Welch
Hart	Mathews	Welch
Hartley	Meade, Md.	West
Hays	Miller, Calif.	Whitaker
Hebert	Mitchell	Whitten
Hedrick	Morgan	Williams
Heffernan	Mundt	Wilson, Ind.
Hendricks	Murdock	
Hobbs	Nodar	

So the resolution was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Hays for, with Mr. McGarvey against.
Mr. Deane for, with Mr. Canfield against.
Mr. Hart for, with Mr. Latham against.
Mr. Redden for, with Mr. Kean against.
Mr. Murdock for, with Mr. Nodar against.
Mrs. Douglas for, with Mr. Towe against.
Mr. Fogarty for, with Mr. Leonard W. Hall
against.

Mr. Hébert for, with Mr. Hand against.
Mr. Battle for, with Mr. Hugh D. Scott, Jr.,
against.

Mr. Rains for, with Mr. Thomas of New Jersey against.

Mr. Chapman for, with Mr. Corbett against.
Mr. Chelf for, with Mr. Halleck against.

Mr. Boykin for, with Mr. Jenkins of Ohio against.

Mrs. Lusk for, with Mr. Hardie Scott
against.

Mr. Stanley for, with Mr. Kunkel against.
Mr. Williams for, with Mr. McGregor

Mr. Johnson of Oklahoma for, with Mr.

Mr. Kennedy for, with Mr. Taylor against.

Mr. Dorn for, with Mr. Simpson of Pennsylvania against.

Mr. Hobbs for, with Mr. Edwin Arthur Hall
against.

Mr. Rivers for, with Mr. Elsaesser against.
Mr. Philbin for, with Mr. Kearns against.

Mr. Morgan for, with Mr. Jenlson against.

Mr. Morgan for, with Mr. Johnson against.
Mr. Lane for, with Mr. Kearney against.
Mr. Madden for with Mr. Lichtenwalter

Mr. Madden for, with Mr. Lichtenwalter
against.

General pairs until further notice:
Mr. Bennett of Missouri with Mr. Sheppard

Mr. Bennett of Missouri with Mr. Sheppard.
Mr. Butler with Mr. Fallon.
Mr. Case of South Dakota with Mr. Engle

Mr. Jackson of California with Mr. Sikes

Mr. Jennings with Mr. Clark.
Mr. Banta with Mr. Keogh

Mr. Andrews of New York with Mr. Pfeifer.
Mr. H. Carl Andersen with Mr. Rooney.

Mr. H. Carl Andersen with Mr. Rooney.
Mr. Beall with Mr. Buckley.

Mr. Clippinger with Mr. Lynch.
Mr. Cole of Kansas with Mr. Heffernan.
Mr. Ellis with Mr. Abbott.
Mr. Fletcher with Mr. Marcantonio.
Mr. Fuller with Mr. Isacson.
Mr. Mitchell with Mr. Bloom.
Mr. Mundt with Mr. O'Toole.
Mr. Lemke with Mr. Miller of California.
Mr. McCowen with Mr. Larcade.
Mr. McCulloch with Mr. Klein.
Mr. Rohrbough with Mr. Kirwan.
Mr. Ploeser with Mr. Delaney.
Mr. Gwinn of New York with Mr. Dawson
of Illinois.
Mr. Smith of Ohio with Mr. Jones of North
Carolina.
Mr. Welchel with Mr. Barden.
Mr. Poulson with Mr. Powell.
Mr. Wilson of Indiana with Mr. Bates of
Kentucky.
Mr. Vail with Mr. Bell.
Mr. Welch with Mr. West.
Mr. Vursell with Mr. Whitten.
Mr. Barrett with Mr. Durham.
Mr. August H. Andresen with Mr. Stigler.

Mrs. BOLTON changed her vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

PERSONAL PRIVILEGE

Mr. KEEFE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin [Mr. KEEFE]?

There was no objection.

Mr. KEEFE. Mr. Speaker, on May 6, 1948, immediately following an address to the Congress by the gentleman from Missouri [Mr. CANNON] and when he was present, I made this statement, in part:

Mr. Speaker, I take this time merely to keep the record straight, in view of the statement that has just been made by the distinguished gentleman from Missouri [Mr. CANNON], who has the facility for making statements that sometimes do not accord with the facts.

The gentleman from Missouri [Mr. CANNON] has asked that those words, "who has the facility for making statements that sometimes do not accord with the facts," be stricken from the permanent RECORD as being an unparliamentary statement.

I wish to say, Mr. Speaker, that I have never knowingly or willfully made an unparliamentary statement on the floor of Congress. I regret exceedingly that the gentleman from Missouri [Mr. CANNON] feels that his reputation as a Member of Congress has been assailed or injured by that statement.

I do not care to have in the permanent RECORD of the Congress any statement attributed to me which could be challenged in any way as being unparliamentary in character. I regret only that the gentleman from Missouri did not come to me in the first place instead of precipitating this episode. I would have been very glad as a colleague and as a Member of Congress to have acceded to any request he might make to change or eliminate those words complained of from the RECORD. He did not do so. The first I knew of it was this morning when he took the floor.

In view of that, Mr. Speaker, I ask unanimous consent that the words com-

plained of may be stricken from the permanent RECORD of the Congress.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

Mr. CANNON. Mr. Speaker, reserving the right to object, the gentleman says I did not come to him and the first he knew of it was when I took the floor. The facts are that I notified him half an hour ago in the committee in which we were meeting in the presence of the committee that I would take up this matter on the floor when the House met, and he acknowledged my notification before the entire committee. So far as hearing him make the statement, I did not hear the remark; neither did the gentleman from Texas, who was sitting beside me here at the time. The first I knew of it was when I saw it printed in the RECORD.

I am constrained to object, Mr. Speaker, to the request of the gentleman. I want the words to remain in the RECORD to show the depths of partisanship to which the leadership on that side of the aisle has descended.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

Mr. CANNON. I object.

Mr. MICHENER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MICHENER. My parliamentary inquiry is this: It is conceded that both the gentleman from Missouri and the gentleman from Wisconsin were on the floor and engaged in general debate. The gentleman from Missouri made a statement. Immediately following that statement the gentleman from Wisconsin made the statement which is here in question. Under the rules of the House it would have been the right of the gentleman from Missouri to ask that any unparliamentary words be taken down. Whether or not the words were unparliamentary would then have been decided by the Speaker. The gentleman from Missouri did not pursue that course. Days later, and possibly the day following the publishing of the next RECORD, the gentleman from Missouri moves to strike.

Following the rule, when unparliamentary words are inserted in the RECORD which have not been spoken on the floor they may be stricken out.

I am afraid of the precedent that might be set. I think we are in a bad parliamentary situation. My parliamentary inquiry is this: Does this instance create a precedent which will permit any Member of Congress on any future date during a session to move to strike out any unparliamentary words in the RECORD simply because he says he did not happen to hear the words or understand it even though he was present when the words were uttered?

The SPEAKER. The Chair is glad to answer the gentleman's parliamentary inquiry.

The gentleman from Missouri asked unanimous consent that the resolution be considered. Had any Member of the House objected, the resolution could not have been considered.

The Chair, of course, believes that a unanimous-consent request can be presented at any time.

Mr. McCORMACK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. McCORMACK. In order that the ruling may be clearly understood in the future I think the Chair's position should be clear. The inference might be drawn that the resolution was offered directly from the floor without asking unanimous consent. In order to cover the whole situation may I ask the Chair what the Chair's views would be in the event the resolution were offered from the floor?

The SPEAKER. The Chair merely answered the parliamentary inquiry of the gentleman from Michigan. Had this been presented as a resolution it would have been an entirely different question and the Chair would not have recognized the gentleman to call it up. The House in this instance agreed to the unanimous-consent request.

Mr. RAYBURN. Mr. Speaker, the gentleman from Michigan has just spoken about this being a precedent. It is not to be presumed that even though a Member be on the floor of the House he hears everything that is said in the House.

Mr. MICHENER. Under the rules of the House it is so presumed.

Mr. RAYBURN. I think the gentleman will find if he will look at the precedents it has been held otherwise.

Mr. MICHENER. I hope the gentleman will cite those precedents.

Mr. RAYBURN. I think I can and I will do so, if I can—

Mr. KEEFE. Mr. Speaker, with respect to the gentleman who is now speaking, the contention has always been made since I have been a Member of Congress that with or without the microphone not only people on the floor but in the galleries and within this part of the Capitol have been able to hear the gentleman from Wisconsin quite well.

Mr. RAYBURN. That may be so. Mr. Speaker, I ask unanimous consent to proceed for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, the gentleman from Michigan may try to sugar-coat the vote that has just been cast, but I say to you, Mr. Speaker, that in all the years I have been a Member of this House trying to bring about comity between the Members who are divided by that aisle this is the most unfortunate vote I have ever known this House to cast.

SUPPLEMENTAL APPROPRIATIONS FOR THE NATIONAL DEFENSE

Mr. TABER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6226) making supplemental appropriations for the national defense for the fiscal year ending June 30, 1948, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. CANNON. Mr. Speaker, reserving the right to object, may I ask the gentleman from New York if it will be possible to take this matter up in the near future and give expeditious consideration to it and if he expects to be able to secure a conference at an early date?

Mr. TABER. I have an appointment for 4:30 for a conference, and I intend to follow the appointment of conferees with the request that we may have until midnight tonight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. TABER, WIGGLESWORTH, ENGEL of Michigan, STEFAN, CASE of South Dakota, KEEFE, CANNON, KERR, and MAHON.

Mr. TABER. Mr. Speaker, I ask unanimous consent that the conferees just named may have until midnight tonight to file a conference report on the bill in question.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDING RECONSTRUCTION FINANCE CORPORATION ACT

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 2287) to amend the Reconstruction Finance Corporation Act, as amended, and for other purposes, with House amendments thereto, insist on the House amendments and ask for a conference with the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. WOLCOTT, GAMBLE, KUNKEL, TALLE, SPENCE, BROWN of Georgia, and PATMAN.

APPOINTMENT OF NEW CONFEE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that my name as one of the conferees on the bill (H. R. 2239) to amend section 13 (a) of the Surplus Property Act of 1944, as amended, be withdrawn and that the Speaker appoint another Member as a conferee in my place.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER. The Chair appoints the gentleman from New York [Mr. WADSWORTH] to take the place of the gentleman from Michigan [Mr. HOFFMAN] and the Clerk will notify the Senate of the change.

DELETION OF REMARKS

Mr. BENDER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BENDER. Mr. Speaker, in connection with the colloquy that took place

between the former Speaker, the gentleman from Texas [Mr. RAYBURN] and other Members concerning the motion of the gentleman from Missouri [Mr. CANNON], I want to call the attention of the House to an action of 2 years ago when the gentleman from Louisiana [Mr. HEBERT] objected to the gentleman from Missouri deleting from the RECORD statements he had made on the floor. He took great exception to it. At the same time I want to say that while the remarks of the gentleman were being deleted from the RECORD by the gentleman from Missouri, my own remarks were deleted by him as well.

Mr. RAYBURN. Mr. Speaker, if the gentleman will yield, what is the gentleman trying to say?

Mr. BENDER. I am saying that the gentleman from Texas condemned the action of the Members of the House today, so I am calling attention to a comparable action of 2 years ago, much worse than that which the gentleman now complains of.

Mr. RAYBURN. That was not a similar action.

Mr. BENDER. Well, that action was taken 2 years ago. I do not care how much the gentleman objects. It was manifestly worse.

The SPEAKER. The time of the gentleman from Ohio has expired.

EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his remarks in the RECORD in four instances and to include in each extraneous matter.

Mr. MEADE of Kentucky asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. MERROW asked and was given permission to extend his remarks in the RECORD and include a newspaper article written by him.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

SOCIALIST PROGRAM

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, when Adolf Hitler came to power, one of the first things he did was to set prices. He not only set retail prices but he set wholesale prices and thereby the mark-up margin for all engaged in trade. This National Socialist program created at that time great consternation in this country.

Now we find that the Socialist Government of Great Britain is doing the same thing. According to dispatches from London, the price freeze order is even more drastic than it was during the war. It restricts the profit margins of all manufacturers, wholesalers, and retailers. It exempts only a very few things such as periodicals, automobiles, and tobacco. There will not be any limit placed on

prices charged for their free American tobacco.

Mr. Speaker, this British price freeze was ordered to keep down prices to British consumers. Without American aid the British would find this an impossible task. Without our dollars the British Socialist could not afford to buy our products and sell them to the British public at lower prices than Americans have to pay. I wonder how long American taxpayers will put up with this condition. Britain's Socialist politicians find they must legislate low prices in order to keep in office. But have American taxpayers any obligation to underwrite their campaign funds. It should be noted that American political parties cannot spend more than \$3,000,000 in any one year. Under Federal law no American can contribute more than \$5,000 to a political campaign committee. Yet there seems to be no limit to our contributions to European Socialist campaign.

Mr. Speaker, I submit that the best way to put an end to all this nonsense is to let every American housewife know that her Washington representatives think it is more important that British housewives pay low prices than it is that American workers enjoy the products of their labor at prices they can afford to pay. Frankly I do not think American housewives favor paying more for their food and clothing than British housewives do.

VITAMIN A

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, I have a short item of some interest to those who participated in the oleomargarine contest a week or so ago.

In the Yearbook of Agriculture entitled "Food and Life," I found a most interesting paragraph on the subject of vitamin A and its beneficial effect upon the body when used in butter.

The paragraph I refer to is on page 3 of that volume. I quote it verbatim:

The body makes its supply of vitamin A from a yellow substance in plant foods, called carotene. It can also get vitamin A ready-made from certain oils or fats in animal foods—butterfat, for instance. During the World War, Denmark exported its butter because of the war demand and substituted other fats in the diet. Blindness, caused by lack of vitamin A, began to show up among Danish children. Their eyesight had been sold abroad with the butter.

The moral is: Eat more butter and insure the eyesight of your children and yourself.

REGULATING THE REGULATORS

Mr. SCRIVNER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. SCRIVNER. Mr. Speaker, in connection with the legislation to renew se-

lective service, I wrote to the chairman of the Committee on Armed Services as follows:

It has long been my conviction that bureaus through regulations go far beyond congressional intent, without Congress having any control over them except the absurd necessity of passing laws to repeal or correct bureau regulations. To curb that power—to "regulate the regulators"—I have several times suggested a change and proposed legislation to that end. To be effective, such a curb must be made to apply to all legislation granting regulatory authority. For its initiation, however, I have not attempted to draft a provision of general application, but rather have sought to offer amendments to apply the curb to a particular measure at the time under consideration in the House.

In the Seventy-ninth Congress I introduced H. R. 3493 to contain such an amendment to the Servicemen's Readjustment Act of 1944, and on different occasions offered the amendment from the floor to legislation affecting OPA, and the disposal of surplus property. As in part explaining my reasoning in proposing this legislation, attention is invited to my remarks on June 22, 1945, CONGRESSIONAL RECORD of the Seventy-ninth Congress, first session, volume 91, part 12, page A2994.

In view of the experiences we had during the war in which the War Manpower Commission and the Selective Service failed to recognize the intent of Congress in the deferment of agricultural workers, it would seem desirable that Congress impose some curb on whatever agencies will be charged with the administration of selective service, if and when it is reestablished. Attention is invited particularly to the fact that it was necessary to put on the statute books a specific provision—the Tydings amendment to the Selective Service Act, approved November 13, 1942—to provide for the deferment of agricultural labor, and that even this was not carried into effect by the administrative agencies until the Senate had passed S. 729 in the first session of the Seventy-eighth Congress.

To that end I am enclosing for the consideration of your committee a copy of a suggested amendment to be included in any measure to authorize the restoration of selective service. I feel so deeply concerning this matter that if the substance of the amendment is not incorporated in the bill reported by the Armed Services Committee I shall feel constrained to offer it as an amendment from the floor when the measure is brought up there.

I shall be glad to discuss the matter with you at whatever time you may find it convenient.

The amendment referred to, which is designed to "regulate the regulators," reads:

(a) Before any proposed regulation or order to carry out the purposes of this act shall be issued by any governmental agency exercising authority conferred hereunder, other than intra-agency administrative rules or orders governing the conduct of its activities or interagency rules governing relations with other agencies of the Government, a draft thereof shall be submitted to the President of the Senate for the Senate of the United States and to the Speaker of the House for the House of Representatives.

(b) The draft of such proposed regulation or order shall be immediately assigned to the Committee on Armed Services in the Senate and to the Committee on Armed Services in the House of Representatives for study, to consider whether such rule or regulation is made in conformity with the spirit, intent, letter, and purpose of this act, and that no unusual or unexpected use of powers herein granted is proposed. Such regulation or order may be approved or disapproved by

the Committee on Armed Services of the Senate or by the Committee on Armed Services of the House of Representatives, or a duly authorized subcommittee of either. In the absence of action by either committee approving or disapproving such regulation or order, it may go into effect not earlier than the fifteenth day following, but not including, the date of the receipt of the draft of such proposed regulation or order by the President of the Senate and the Speaker of the House of Representatives. If sooner approved by either committee, it may go into effect immediately upon such approval. Disapproval of such regulation or order by either committee shall suspend its issuance; *Provided*, That in the event of conflicting committee actions, the earlier action shall govern.

(c) For the purposes of this section, the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives, or any duly authorized subcommittee thereof, are authorized to sit and act during the sessions, recesses, and adjourned periods of Congress.

With such an amendment, situations we found existing during the war could not arise. With it we could be certain that regulations to carry the statute into effect would be realistic and in conformity with congressional intent. It would keep the program under congressional control. It should be adopted by the House, even though its incorporation in the reported bill was rejected by the Armed Services Committee.

EXTENSION OF REMARKS

Mr. McDOWELL asked and was given permission to extend his remarks in the RECORD and include an editorial from the Pittsburgh Post-Gazette.

Mr. KERSTEN of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances and include two articles.

Mr. DEVITT (at the request of Mr. KEATING) was given permission to extend his remarks in the RECORD and include extraneous material.

Mr. KEATING asked and was given permission to extend his remarks in the RECORD regarding a bill he is introducing today.

Mr. SIMPSON of Illinois asked and was given permission to extend his remarks in the RECORD and include an editorial from the Quincy (Ill.) Herald-Whig.

Mr. GEARHART asked and was given permission to extend his remarks in the RECORD in two instances and include in each extraneous material.

Mr. NORBLAD asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. BUTLER (at the request of Mr. NORBLAD) was given permission to extend his remarks in the RECORD and include a resolution.

Mr. JONKMAN asked and was given permission to extend his remarks in the RECORD and include an article from the Nation's Business for May by Junius B. Wood.

Mrs. BOLTON asked and was given permission to extend her remarks in the RECORD and include a talk she gave at the home of Mary Washington in Fredricksburg yesterday.

Mr. GROSS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an address by

United States Senator Ed MARTIN before the Fifty-seventh Annual Continental Congress of the Daughters of the American Revolution, and further to extend my remarks and include a letter on militarization by Arthur M. Stevenson, D. D., pastor, the Presbyterian Church, Greencastle, Pa., who expresses probably the sentiments of most thinking people.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. COLE of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a letter from an eminent educator of north Kansas City opposing Federal aid to education, and further ask unanimous consent to extend my remarks in the RECORD in two instances and include in one a radio address by Jack Beall entitled "Communism."

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. PHILLIPS of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include an article by the Federation of Small Business. I do not think this exceeds the two-page limit, but I ask that it be printed notwithstanding that fact if it does.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

COMPENSATION OF WITNESSES IN TRIAL OF HAROLD CHRISTOFFEL

Mr. KERSTEN of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KERSTEN of Wisconsin. Mr. Speaker, I am today filing a bill in the House for compensation for witnesses who came from Milwaukee to Washington to testify in the perjury trial of Harold Christoffel.

These witnesses performed a patriotic duty. They came to Washington to bring forth the truth necessary for a proper consideration by the court of the charges made in that case. It cannot be said that there was no danger in their actions because by them they were taking effective measures to unmask Communist activities in the city of Milwaukee.

When they came to Washington they were obliged to stay here during the several days of the trial at their own expense at the time. The statutory amount afforded witnesses came far short of covering their actual necessary expenses. They should not be obliged to personally bear the expense such as they have done. It is no more than just that they be at least compensated for their actual necessary expenses as witnesses attending upon this important trial, which has struck a strong blow at the Communist organization in the Middle West.

The names of the witnesses who performed this patriotic duty are as follows: Claire M. Merten, Milwaukee, Wis.; Mary Fisher, Milwaukee, Wis.; Rudolph Rolli, Milwaukee, Wis.; Carl Haferkamp, Milwaukee, Wis.; Farrell Schnering, Milwaukee, Wis.; Conrad J. Geres, Milwaukee, Wis.; Michael F. Benesch, Milwaukee, Wis.; Julius Blunk, Milwaukee, Wis.; and R. A. DeMint, Racine, Wis.

PUBLIC ENEMY NO. 1

Mr. MURRAY of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include certain figures.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. MURRAY of Wisconsin. Mr. Speaker, the following editorial appeared in the April 27, 1948, Wausau Record-Herald:

PUBLIC ENEMY NO. 1

Public enemy No. 1, who is he today? Not John L. Lewis, of the United Mine Workers, nor even Joseph Stalin—but, to hear some folks burst their defamations on the American farmer, this public enemy No. 1 is the tiller of the soil—the food producer. No; not the cottonseed or linseed producer, but the farmer who has to work 366 days in leap year without a single holiday—the dairyman.

Yes; he's public enemy No. 1, in fact, he's his own worst enemy today, when it's highly unpopular to be producing milk, the cream, the cheese, and the butter that folks are actually scrapping for, not only in the States, but in Canada, and overseas. Life is becoming bitter because of this scarcity of the vital food. Even the large dairy producers have reported that the farmers should be milking more and more cattle to meet the rapidly growing needs of the American population and the cry of peoples overseas for these precious foods.

If public enemy No. 1, the Wisconsin dairy farmer, today had a leader like Lewis, or like the almost forgotten Walter Singler of the Wisconsin milk pool, well, the farmer would have quit work, but he doesn't. He keeps his patience, just as every decent bossy does, instead of doing like Mrs. O'Leary's cow did on October 8, 1871, when as popular versions of Chicago's historic fire say, she kicked the lantern and started the momentous conflagration.

The writer of this editorial has long been recognized as a newspaperman that has been constructive in his approach to all agricultural progress. He has seen many acres of the rough wild land of his county converted into a thriving dairy farm. The natural grass of the area provides feed for efficient milk production. The county is one of the leading dairy counties of the Nation. The farm people of the county are of many nationalities. They have cleared the farms of stumps and stones, and have constructed the needed homes and necessary other buildings.

Mr. John Gumtz, the writer of this editorial, well knows the contribution that his readers made in furnishing food for the war and for peace. He knows that Wisconsin increased its milk production from twelve to fifteen billion pounds during the war. He knows that no other State increased its production 1,000,000,000 pounds and that many

States had a decrease in milk production during this period. He knows that while millions of pounds of butterfat are being given away and scattered all over the world the national school-lunch program is feeding American school children only skim milk that has not even vitamin A added to it, to say nothing about the desirability of adding vitamin D.

What makes me sympathetic to the viewpoint held by Mr. Gumtz are the following official figures of the United States Department of Agriculture:

Average prices received by farmers for whole-sale milk per 100 pounds¹

State	1942	1943	1944	1945	1946	1947
Wisconsin.....	\$2.10	\$2.60	\$2.69	\$2.67	\$3.44	\$3.52
Minnesota.....	2.15	2.65	2.70	2.70	3.44	3.43

¹ Does not include dairy production payments, October 1943 to June 1946.

Government dairy production payment rates on milk per 100 pounds, annual average basis

State	1943 ¹	1944	1945	1946 ²
Wisconsin.....	\$0.06	\$0.45	\$0.49	\$0.30
Minnesota.....	.05	.44	.49	.31

¹ October to December.

² January to June.

Source: Bureau of Agricultural Economics, U. S. Department of Agriculture.

You will note that the price of milk to the Wisconsin farmer has shown but little change when the subsidy is taken into consideration.

Is it surprising that any State that has made such a remarkable food contribution during the war, and which has made this contribution without any appreciable increase in price, should be somewhat irritated to see Congressmen from other States, where milk is selling from \$1 to \$2 per hundred pounds above Wisconsin prices, knowingly or unknowingly give aid and comfort to legislation that will really increase consumer costs of milk and beef and will decrease the production and consumption of the greatest single food known to man, which is m-i-l-k?

EXTENSION OF REMARKS

Mrs. NORTON asked and was given permission to extend her remarks in the RECORD and include an article by Malvina Lindsay.

HON. CLINTON P. ANDERSON

Mr. PACE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. PACE. Mr. Speaker, it is with keen regret that I must take note of the termination today of the public service of one of our most able and distinguished administrators, the Honorable Clinton P. Anderson, who voluntarily retires as Secretary of Agriculture.

As I look back over the years I can find no one holding the same position who has directed the affairs of the De-

partment in a manner comparable with Mr. Anderson. He not only demonstrated a thorough knowledge of the problems of the men and women who till the soil and ride the range; he not only had deep concern regarding their economic welfare and sought to improve their living standards but his broad business training and experience gave him a clear understand of the need for expanded and more efficient markets for the products of the farm and the necessity of cooperation constantly with those who provide such markets.

When we would appraise the work of a man we must measure him by the kind of job he had to do. When Mr. Anderson became Secretary of Agriculture our country was in the midst of a great world war. We were facing serious food shortages. We were trying to feed not only our own people and our troops but in addition were compelled to supply in good measure the requirements of the civilian population and armies of our allies. In every part of the Nation people were complaining of the shortage of meat, butter, sugar, and other necessities.

Previously this House had turned to Mr. Anderson as its choice to serve as chairman of a special committee to investigate food shortages. In that capacity his investigation was so thorough and his recommendations so sound that he not only received the universal applause of the people throughout the country, but he was selected by the President to serve as Secretary of Agriculture to put those recommendations into action.

He met that test with distinction. And when hostilities ceased he set up a program to maintain the same high rate of production to meet the needs of the period of readjustment.

His was a position of the highest responsibility. He measured up in every respect and he leaves office today enjoying not only the sincere appreciation of the American people but also the gratitude of those millions throughout the world who live today because of his labors.

Mr. OWENS. Mr. Speaker, will the gentleman yield?

Mr. PACE. I am glad to yield to the gentleman.

Mr. OWENS. May I say to the gentleman from Georgia that I do not know of a more logical or a more proper successor to Mr. Anderson than the gentleman from Georgia.

Mr. PACE. The gentleman is very complimentary.

Mr. COLMER. Mr. Speaker, will the gentleman yield?

I concur in the remark just made by the distinguished gentleman from Illinois as to a successor for our present Secretary of Agriculture. I should also like to add just an humble word of tribute on my own part in recognition of the splendid record and outstanding achievement of our former colleague, the retiring Secretary of Agriculture, who has made a wonderful contribution to agriculture.

Mr. PACE. I thank the gentleman.

DR. CONDON

Mr. BUSBEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BUSBEY. Mr. Speaker, to the Members of this body who have been listening to the views of the New Deal commentators on the radio as far as Dr. Condon is concerned I would like to make this observation. Many of the New Deal radio commentators have tried to lead the public to believe that the Committee on Un-American Activities has made charges that Dr. Condon is a Communist, and that Dr. Condon is disloyal. I want to state emphatically that there has never been any such charge made. The statement made against Dr. Condon is simply this, and I quote:

One of the weakest links in our atomic security is Dr. Edward U. Condon.

Now, there is a great deal of difference between accusing a man of being a Communist or disloyal and accusing him of being a security risk.

The following headline appeared in last Sunday's Times-Herald:

Defies Thomas group to show disloyalty.

Why should a committee be asked to show Dr. Condon's disloyalty when it has not made such a charge?

This morning's Times-Herald carried the following caption:

President Truman's Loyalty Review Board has decided to forget, at least temporarily, action on the Commerce Department request that it take over the loyalty case of Dr. E. U. Condon, it was revealed yesterday.

Mr. Speaker, I have no confidence in the President's Loyalty Board because it has not processed a single case in over a year, regardless of the millions of dollars appropriated for that purpose.

The SPEAKER. The time of the gentleman from Illinois [Mr. BUSBEY] has expired.

EXTENSION OF REMARKS

Mr. McDONOUGH asked and was granted permission to extend his remarks in the Appendix of the RECORD and include the American Primer.

Mr. VAN ZANDT asked and was granted permission to extend his remarks in the RECORD and include a statement on H. R. 6258.

Mr. MACKINNON asked and was granted permission to extend his remarks in the RECORD in two instances, in the first instance to include an editorial from the Minneapolis Star, and in the second instance to include an article by Raymond Moley, entitled "Disclosing Communists," and a news release from the American Legion.

Mr. CHIPERFIELD asked and was granted permission to extend his remarks in the RECORD and include an editorial.

Mr. CROW asked and was granted permission to extend his remarks in the RECORD and include a letter from the department commander of AMVETS, addressed to the Veterans' Administration.

RECIPROCAL TRADE TREATIES

Mr. MASON. Mr. Speaker, I ask unanimous consent to speak for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MASON. Mr. Speaker, our southern friends are constantly flooding the RECORD, the press, and the radio with propaganda concerning the blessings of our reciprocal trade treaties. While they are eulogizing these blessings and inflicting their doubtful benefits on northern agriculture, they substitute embargoes for the duties or tariffs on their own products. I have today introduced a bill to reduce the import duty on shelled peanuts from 7 cents per pound to 2 cents per pound, and on unshelled peanuts from 4½ cents per pound to 1½ cents per pound. The peanut crop before the war was never worth 7 cents per pound, so we now have a 100-percent ad valorem duty. Before the war farmers usually received between 3 and 4 cents per pound for their peanut crop.

Mr. Speaker, the peanut producers have priced themselves out of the candy business. The price of peanuts has jumped from 3.3 cents per pound in 1940 to 10.2 cents per pound in 1948. Candy manufacturers claim they are compelled to pay up to 18½ cents per pound for shelled Spanish peanuts, or an increase of 249 percent since 1941. The cost of the other ingredients of candy such as sugar, glucose, and milk are on the down grade.

My bill reads:

That notwithstanding any other provisions of law the rate of duty on all peanuts imported after the date of enactment of this act shall be 2 cents per pound on shelled peanuts and 1½ cents per pound on unshelled peanuts.

Mr. Speaker, I am sure my southern colleagues who are interested in enjoying the blessings of the reciprocal trade treaties will be glad to cooperate with me in passing this constructive measure. They certainly do not think they can "have their cake and eat it too." Neither should they think they can eat their oleo and hang on to the advantages they enjoy at present on their tobacco, peanut, and cotton crops.

EXTENSION OF REMARKS

Mr. JOHNSON of California. Mr. Speaker, last week I received permission to make two extensions in the RECORD. The Public Printer informs me that they exceed the amount allowed under the rule, in one case by \$260, and in the other by \$189. Notwithstanding the additional cost, I ask unanimous consent that those extensions may be made.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DR. BRUCE D. FORSYTH

Mr. JOHNSON of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. JOHNSON]?

There was no objection.

Mr. JOHNSON of California. Mr. Speaker, I would like to note for the RECORD the appointment of Dr. Bruce D. Forsyth as Assistant Surgeon General and Chief of the Dental Division of the Public Health Service.

The Surgeon General of the Public Health Service is to be commended for this appointment. Here is a young dentist who is a career man, and it is refreshing to learn that his loyal and outstanding work has won recognition.

Dr. Forsyth was graduated from the University of Michigan, one of the great universities of our country. Following his graduation he immediately took up his life work by entering the Public Health Service. He worked hard; he kept abreast of the new developments in his chosen field; he performed each task assigned to him to the best of his ability; he got along well with those with whom he came in personal contact. The PHS is fortunate to have a man of his personality and professional attainments willing to stay with the organization. He could probably make more money as a private practitioner, but he chose to serve the public. For this choice he will have many satisfactions. He is in charge of the research program recently instituted by the PHS, through the authorization of Congress. There is a big field in dental research which will make its impact on the citizens of our country and bring them better teeth and better health. Our country is fortunate that young men like this are willing to enter the public service and devote their lives to the special problems in the field of dentistry. Every person is interested and may benefit by the development of better dentistry and thereby better teeth. We wish this young man many years of usefulness.

MOTHER'S DAY

Mr. LANDIS. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. LANDIS]?

There was no objection.

Mr. LANDIS. Mr. Speaker, yesterday was Mother's Day. I could not help thinking as I pinned the little flower on my lapel in tribute to the dearest friend on earth, about those multiplied thousands of deserving and devoted mothers who are striving to live independently of relatives or on our scanty public charities.

Mothers will live in deprivation, rather than be a burden on their children. It is just like mothers to do that. Then those who are forced by circumstances to accept the cold and paltry amounts available as old-age assistance are in a pitiable plight indeed. Mr. Speaker, in my opinion, if the record of the true conditions of these devoted American mothers were written in a comprehensive record and read fully before this Congress today, and if that record would show the actual and true conditions under which they are forced to live, I wonder just how we as Members of Congress would feel? I am wondering also what we would do.

If they were mothers living in other lands, I am sure we would do something about it. Yes; billions could be appropriated right here on this floor, and some Members with tears in their voices would plead in humanity's name for immediate and continued action.

But for our own American mothers, it seems to strain us to even provide an amount which is less than the actual cost of one meal per day. That for only those who are entirely destitute, leaving them for shelter nothing, medical care nothing, clothing nothing, incidentals nothing. Mr. Speaker, how do we feel about Mother's Day?

HOSPITALS FOR OLD FOLKS

Mr. Speaker, I am introducing a bill today to establish nursing homes for the elders of America. This program will cost \$75,000,000. The Government will match the States on a 50-50 basis.

Due to the crowded conditions of our hospitals in America, many elders have been deprived the right of hospitalization. Public facilities for boarding, nursing, or convalescent care should be developed, expanded, and improved to meet the increasing needs for such facilities for the chronically ill, especially among the aged, blind, disabled, homeless, and unattached.

Many eligible needy aged and blind persons require boarding or nursing and convalescent care beyond the capacity of the home. Public nursing and convalescent care without the stigma of the poor house must be provided on some planned basis. Federal participation will greatly assist in a program of improvement of such facilities.

This bill also amends the Social Security Act to allow old-age assistance payments to be given to elders residing in these nursing homes. These payments will provide the upkeep for the nursing homes.

This bill will carry out provision 4 of the 1944 Republican platform on security which states:

The continuation of these and other programs relating to health, and the stimulation by Federal aid of State plans to make medical and hospital service available to those in need without disturbing doctor-patient relationships or socializing medicine.

EXTENSION OF REMARKS

Mr. DAGUE asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial entitled "My Mother."

Mr. SCHWABE of Oklahoma asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and in each to include extraneous matter.

Mr. CURTIS asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. HARRIS asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. EVINS asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. HARRISON asked and was given permission to extend his remarks in the

Appendix of the RECORD and include extraneous matter.

Mr. DINGELL asked and was given permission to extend his remarks in the Appendix of the RECORD and include an advertisement on behalf of the UAW-CIO in support of their contention that a wage increase is necessary at this time.

SPECIAL ORDERS GRANTED

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes tomorrow following the legislative business of the day and any special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. BRYSON. Mr. Speaker, I ask unanimous consent to address the House for 30 minutes today following any special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

COMBATING COMMUNISM IN AMERICA

Mr. OWENS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include three editorials relating to the subject matter.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. OWENS. Mr. Speaker, the Members of this House despise communism and naturally want to do everything within their power to eliminate and abolish this menace throughout the United States. We can do this in two ways: one by education, and the other by legislation, or by a combination of both. But if we are going to do it by legislation we must be careful not to burn down the barn in order to dispose of the rats.

I ask that you read carefully the bill presently being considered, H. R. 5852. If it is to be passed, it should be amended in many respects. I am submitting three editorials on this subject, two from the Chicago Daily News, and one from the Sun-Times of Chicago, in which the subject is discussed quite fully, and I ask that you read these editorials when you read the bill. We may decide that laws now on the books are adequate, if move vigorously enforced as they are now written, or with such slight amendments as might be necessary.

(The editorials referred to follow:)

[From the Chicago Daily News of May 6, 1948]

OUST THE UNFIT

Senator FERGUSON, of Michigan, has been looking over the lawbooks and finds that we have statutes giving the Department of Justice all the power it should need to deal with Communists.

That might have been expected. There is plenty of law—common law, Federal law, or State law—to deal with all the things that now vex us so much if we would only put in office the kind of men who enforce laws until they work or until the people force their repeal.

We don't do that. When he lived among us Kipling wrote of the Americans that he had a "cynic devil in his blood that bids him flout

the law he makes, that bids him make the law he flouts."

If we want to disprove demoniac possession, the way to do it is to dig up our forgotten impeachment processes and put unfit executives out of office.

[From the Chicago Daily News of May 6, 1948]

ANTIRED MUNDT BILL

(By Dorothy Thompson)

Although I feel strongly that something should be done about the American Communists, I do not quite like the Mundt bill.

I am afraid, for one thing, of legislation directed at a single organization, especially when such an organization is not positively outlawed. The Mundt bill tries to get at communism as an organization, but via the back door. It does not ban the Communist Party, but proposes severe penalties for any attempt to establish a totalitarian dictatorship in the United States.

That legislation is, I fear, useless. The Communist Party only would attempt to establish such a dictatorship after it had governmental power, when it would be too late for the law to operate. According to Senator GLEN TAYLOR, with whom I spoke the other night on the Town Meeting of the Air, "When the new party (which is Communist) comes to power there will be so many secret policemen looking for honest jobs that we may have a temporary wave of unemployment."

I did not have time to ask Senator TAYLOR to elucidate that interesting statement but, by analogy with the Polish, Czech, and other "new" party dictatorships, I take it we would have a purged police to enforce only Communist decrees. What good, then, would any previous law do?

Nor do I like the requirement that Communist political and front organizations be compelled to register with the Attorney General. If Communist organizations, why not all political organizations? That party literature should be marked as such is a good idea; but why should not all special pleading carry the name of the organization that initiates it?

And the Communist Party easily can change its name. It already is doing so, in the Wallace movement.

It seems to me that certain activities ought to be prohibited to American citizens—as the law provides—and the citizen himself made responsible under the law for his acts, defined as menacing to the constitutional order. But it seems to me the law doesn't go far enough in some particulars.

No citizen, for instance, should be permitted to hold membership in or contribute to any organization which: (1) Receives orders from a foreign state or from citizens of a foreign state; (2) is pledged to acts in contravention of American law or ever has consciously infringed the laws of the United States; or (3) whose members are pledged to tender prior loyalty to another state or to defend any other state in war, except as in such a war in which the United States might be formally allied with another power.

The object of a law should not be to impede social change, but to defend the liberty of the Nation and its citizens against international conspiracies masked as legal national movements.

If Communists merely would tell the truth about their movement no laws would be necessary. But since lying and conscious deceit are part of Communist tactic, and there is no way of compelling any person to be truthful beyond the laws of libel, it is necessary—it seems to me—to define practices which are incompatible with the existence and security of the Republic, whether those practices arise from communism or from a movement like the happily defunct German-American Bund.

[From the Chicago Sun-Times of May 7, 1948]

CONTROLLING SUBVERSIVES

The Communists are appropriately outraged by the subversive activities control bill, written by the House Committee on Un-American Activities. Nobody need worry much about that. Since Communists themselves have no regard for civil liberties wherever and whenever they take power, their hypocritical championship of civil liberties where and when they are out of power shouldn't fool anybody.

In considering this bill, however, Congress must take many things into account. The bill would declare the Communist Party and "Communist-front" organizations (to be defined by the Attorney General) as a menace to the country. All members of the party, and the officers of the front organizations, would be required to register. If they did not, the party and organizations would be illegal.

One point to be considered is that this approach has seldom proved to be an effective way to deal with communism. Sponsors of the bill argue that they are not outlawing the party, only requiring its members to register. But can you imagine the members of a conspiratorial movement meekly filing their names with the Attorney General? Real conspirators would never comply with the law. They would simply go underground.

As Gov. Thomas E. Dewey said at Portland Monday, in opposing Harold E. Stassen's proposal to outlaw the Communists, Canada, Italy, and even Russia itself found that merely declaring the party illegal or driving it underground didn't dispose of the movement.

There is another consideration, far more important, which should weigh heavily with Congress in studying this bill. Regardless of what it might or might not do to the Communists, what would it do to the theory and practice of political freedom?

The American doctrine of civil rights, founded in the Constitution and developed over many years by the Supreme Court, holds that all citizens have the right to free speech and assembly—which implies free political action—so long as they offer no "clear and present danger" of substantive evil to our society and the lawful processes of democratic government.

The subversive-activities control bill would make it a crime for any person "to perform or attempt to perform any act with intent to facilitate or aid in bringing about" a totalitarian dictatorship under foreign control.

While specific acts and conspiracies to overthrow our Government should certainly be outlawed—in fact, already are outlawed under other statutes—this language goes much further. So far as the wording of the bill reveals, it would make even a speech or a vote cast for certain candidates a crime, even though the speech or the vote presented no real danger of overthrowing the Government.

Congress should carefully consider if there is any safe way to hit the subversive citizen, without hitting others, too, except through the conspiracy statutes already on the books. If a subversive element is driven underground, the Government must be prepared with agents to hunt it underground. These agents can grow to multitudes in proportion to the whisperings that suspicious and eavesdropping neighbors may invent about the use to which honest, law-abiding citizens put their basements or attics, their typewriters, automobiles, or ham radio conversations. History shows that the most outrageous crimes against citizens have come from the agents of governments entrusted with the responsibility of protecting governments from alleged conspirators. It was these outrages upon the homes, papers, and persons of citizens that made mandatory the inclu-

sion of the Bill of Rights in our own Constitution.

Communists and their fellow travelers deserve to be exposed—to be kept in the light of day. But a law which seeks to accomplish this by reviving dangers that would impair our doctrine of civil liberty is too big a price to pay.

We say: Let the Communists and fellow travelers talk and let America answer them. Let the Communists and fellow travelers vote and let America vote them down. Punish conspiracies to seize power, outlaw acts of revolution or violence, but don't undermine the freedoms on which our democracy rests.

MOTHERS' PENSIONS

Mr. MORRIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MORRIS. Mr. Speaker, I would like to make a few observations along the same line as those made by the gentleman from Indiana [Mr. LANDIS].

There have been many beautiful words spoken and written over this week end in tribute to the mothers of men.

I am happy that a grateful Nation will take a day each year to pay our mothers exalted tribute. Those words of praise and endearment must warm the hearts of all mothers.

However, Mr. Speaker, many of us in this Congress are anxious to also honor mother in a very practical way. There are approximately 200 of us who have united to ask the leadership of this House to permit us to consider during this session a bill to provide mothers and fathers with a reasonable American pension. While a subcommittee continues to study the technical aspects of old-age insurance—and I am happy that they are doing this good work—we can enact a reasonable pension to take the place of what we term old-age assistance.

We need a few more names added to our nonpartisan group who are making this united and friendly appeal for action. Those who concur with us and who have not indicated their approval will kindly see either the gentleman from Indiana [Mr. LANDIS] or myself, please, and within the next few days.

Let us show the mothers of America that we meant what we said on Mother's Day.

EXTENSION OF REMARKS

Mr. ALLEN of Louisiana asked and was given permission to extend his remarks in the RECORD and include a statement on soil conservation by Mr. S. W. Nelken.

Mr. MULTER asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and include extraneous matter.

Mr. KELLEY asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. FEIGHAN asked and was given permission to extend his remarks in the RECORD and include an article from the magazine America.

Mr. GOSSETT (at the request of Mr. DAVIS of Georgia) was given permission to extend his remarks in the RECORD.

Mr. DAVIS of Georgia asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. FERNANDEZ asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial on revision of the United Nations.

Mr. FERNANDEZ asked and was given permission to extend his remarks in the RECORD and include the second part of an article written about the Middle Rio Grande flood-control problem in New Mexico.

Mr. KEFAUVER asked and was given permission to extend his remarks in the RECORD in two instances, in one to include an editorial and also an article from the New York Herald-Tribune.

Mr. SMATHERS asked and was given permission to extend his remarks in the Appendix of the RECORD.

Mr. BENDER asked and was given permission to extend his remarks in the RECORD and include an editorial from the Akron Beacon-Journal.

Mr. BENDER asked and was given permission to extend his remarks in the RECORD and include an article by Tom Stokes.

Mr. HARVEY asked and was given permission to extend his remarks in the RECORD and include an address he delivered recently.

PROGRAM FOR THE MIDDLE EAST

Mr. MULTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, it was my happy privilege to participate in a conference in this city which started on May 7 and concluded last night, designated as an Emergency Conference to Propose a United States Policy for Palestine and the Middle East.

The conference was summoned by Senators CHARLES W. TOBEY, WAYNE MORSE, and DENNIS CHAVEZ. Among its sponsors were many of our most outstanding citizens who came to Washington from all parts of the country for this purpose. Partisan politics had no part in its makeup or in its deliberations. The results of its activities will be released on Wednesday. At its concluding session I said to the conference:

A REHABILITATION PROGRAM FOR THE MIDDLE EAST

This conference has been called primarily to deal with an emergency which will be upon us with its full force in a matter of hours, if it is not actually upon us at this very moment.

For many weeks I have been urging that the way to avert the grave consequences that can be seen by all except those who will not look, are some very simple expedients. They are:

1. Announcement by our Government that as of May 16 it will recognize the Jewish state in Palestine and deal with it as a sovereign power; and
2. Implement that recognition by treating with the new state as a sovereign, including lifting the embargo on arms as to it, and

invoking economic sanctions against its aggressors.

Without in any way lessening my position in that regard, permit me to take a few minutes to comment upon a rehabilitation program for the Middle East.

In our efforts to propose specific actions to halt the bloodshed, warfare, and destruction in Palestine, we dare not ignore the underlying realities which caused this emergency and made possible this upheaval. We must go to the roots of the crisis if we are to achieve a stable and lasting peace in the whole troubled area of the Middle East.

By underlying realities I mean the economic conditions of the region—the level of economic development, the type of economy, the standard of living, the extent of industrialization, and related problems. A survey of the economic conditions of the Middle East brings sharply into focus a single basic fact: With the exception of the Jewish areas of Palestine, all the countries of the Middle East suffer from extremely low standards of living and operate on an extremely low economic level.

Predominantly agricultural, these countries have for centuries made no advance toward more efficient use of such resources as they have. Their methods of cultivation are the same as in Biblical times. Outmoded systems of land tenure have long since destroyed initiative among the rural populations. Inadequate irrigation and inefficient marketing systems result in low yields and much waste. The usual physiological factor accompanying such conditions is an increase of the population of the area. In the Middle East it is at the rate of 600,000 persons a year. This increase only aggravates the problem of existence, because natural and man-made limitations render it impossible to provide for the minimum needs of the people.

Accordingly we find that disease, ignorance, and poverty afflict the vast majority of the peoples.

The impact of the industrial revolution has already caused the almost complete decay of handicraft skills. The modern skills have not begun to take their proper place in their economy.

What are the dangers for us and for the world inherent in such conditions?

Until adequate steps are taken to improve the substandard conditions of life in this area, there can be no hope of peaceful stability or social and political progress. What we have learned to be true of Europe in this respect is tenfold more true in the Middle East. If we hope to reduce the threat of communism in that strategic area, we will have to set about providing for its development toward a better-balanced, more self-sufficient economy capable of offering the down-trodden populations a relatively decent standard of living. We can work no miracles in a short space of time, too many centuries of neglect and disintegration lie behind the present stagnation.

We can make an important beginning. We can help the people of that region to help themselves—a principle to which our Government has committed itself and undertaken to implement in the case of Europe. How much more critical are the needs of the Middle East? Regardless of what brought the condition about, when we recognize it, we must agree to improve it.

We must offer to support a program for the greater use of already existing resources and for the diversification of production, both agricultural and industrial. In return for our technical and financial assistance, we must expect the willing cooperation of the governments whose countries benefit.

Palestine provides a striking example of how the economic potential of the area—meager, sparse, and difficult to exploit as it appears at first glance—can be effectively

turned into economic abundance. In the past two decades the intensive application of western-type initiative, capital, and industry by the Jews has revitalized the Palestinian economy and pointed the way toward resurrection of the entire desert area between Egypt and India. The Jews have reclaimed the land and made gardens bloom where there were bleak wastelands. Between 1923 and 1942 the cultivable area of Palestine was almost doubled; capital investment has increased 21 fold and the number of industrial enterprises 7 fold.

Any program for the economic development of the Middle East will have to take into account the experience of Palestine. Specific factors were at work there which made progress possible. The Jewish community has technical skills that are essential to expanding production. Its social institutions, educational system, and democratic political structure are unique in the Middle East. They need not remain so. They must not remain so. They must be made the universal pattern of progress there.

The economic developments in Palestine will affect the development of its neighbors. Their economies can complement one another in the interest of material progress for the whole region.

This conference will not have done a complete job unless it goes on record as recommending that the United States call upon the middle eastern countries to convene for the purpose of drafting a plan for the economic development of the Middle East—an ERP, or, in this case, an MERP, a Middle East rehabilitation plan.

Certain conditions should be attached to any United States loans and grants provided to finance such a program.

First. Peaceful relations must be established among all the countries, including, of course, Palestine. The only area where there are the technical skills and the industrial potential available to begin the regional development is Palestine.

Second. An economic union providing for the coordination of material resources and waterpower (especially of the Jordan Valley) among the Middle East countries.

Third. Political and social reforms to permit the elevation of depressed populations of the area so that they may participate as healthy, literate, and civilized human beings in the regeneration of their region.

The reasons which led our country to adopt the European recovery program apply with far greater force to the establishment of a Middle East recovery program. Such a project must be an integral part of any long-term planning looking toward permanent elimination of the turbulence spreading through that region.

I join with you in praying for peace in Jerusalem, peace in Palestine, peace in all the world.

SPECIAL ORDER GRANTED

Mr. GILLIE. Mr. Speaker, I ask unanimous consent that on tomorrow, after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the gentleman from Indiana?

There was no objection.

COMMUNISTS INDUCE NEGRO BISHOPS TO ATTACK

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, several days ago Communist agitators induced a group of Negro bishops to pass a resolution asking that I be expelled from Congress because of my opposition to the so-called civil-rights program.

I call attention to the fact that the antilynching bill is a sham and a fraud which does not propose to protect innocent men. I repeated what Finis Garrett said many years ago that it ought to be called a bill to encourage rape.

I join the Governor of Mississippi in his statement on yesterday that we are going to maintain segregation in Mississippi.

There are only four possible solutions of the race question—extermination, deportation, amalgamation, or segregation.

Take whichever one you want, but the white people of the South have carried on a program of segregation that we propose to continue to carry on, regardless of what the Congress or the Supreme Court of the United States say about it.

The less you meddle with the race question in the South the better off those people are going to be.

These agitators, and these Communist fronts, that are going around stirring up this trouble are doing the Negroes infinitely more harm than they could ever possibly do them good.

COMMITTEE ON PUBLIC WORKS

Mr. LECOMPTE. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 532 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the further expenses of conducting the studies and investigations authorized by House Resolution 403, Eightieth Congress, incurred by the Committee on Public Works, acting as a whole or by subcommittee not to exceed \$100,000 additional, including expenditures for the employment of such experts, special counsel, and such clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by said committee and signed by the chairman thereof, and approved by the Committee on House Administration.

With the following committee amendment:

Line 5, strike out "\$100,000" and insert "\$50,000."

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

JOINT COMMITTEE ON HOUSING

Mr. LECOMPTE. Mr. Speaker, I submit the following resolution (H. Res. 554) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That there be printed as a House document the report prepared for the Joint Committee on Housing, entitled "The High

Cost of Housing," and that there be printed 2,000 additional copies for the use of said joint committee.

The resolution was agreed to.

A motion to reconsider was laid on the table.

ILLINOIS CENTRAL RAILROAD

Mr. LECOMPTE. Mr. Speaker, I submit the following resolution (H. Res. 567) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That Representative CHARLES W. VURSELL, or such person as he may designate, be, and he is hereby authorized to review, under the supervision of the Clerk of the House of Representatives, the files of the House for the period 1830 to 1861, insofar as they may relate to or bear upon the history of that which is now the Illinois Central Railroad, and to have made photostatic copies of such papers and documents as may be pertinent to such history.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SELECT COMMITTEE ON FOREIGN AID

Mr. LECOMPTE. Mr. Speaker, I submit the following concurrent resolution (H. Con. Res. 189) and ask for its immediate consideration.

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That the Final Report of the Select Committee on Foreign Aid be printed as a House document, and that 5,000 additional copies of volume I be printed, of which 3,000 copies shall be for the use of the House of Representatives, to be distributed by the House folding room and 2,000 copies shall be for the use of the Select Committee on Foreign Aid.

With the following committee amendments:

Line 2, after the word "That", insert the words "there be printed 6,500 copies of."

Line 3, after the word "Aid", strike out the words "be printed as a House document and", and insert "(House Rept. No. 1845)" in lieu thereof.

Line 4, strike out the words "that 5,000 additional copies of volume I be printed."

Line 6, after the word "Representatives", insert a comma and strike out the words "to be distributed by the House."

Line 7, strike out the first three words "folding room and."

Line 8, after the word "Aid", insert the words "500 copies for the use of the Senate document room, and 1,000 copies for the use of the House document room."

The committee amendments were agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

VETERANS' BENEFITS MANUAL

Mr. LECOMPTE. Mr. Speaker, I submit the following concurrent resolution (H. Con. Res. 120) and ask for its immediate consideration.

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That, within 90 days after adjournment of the second session of the Eightieth Congress, the pamphlet entitled "Manual Explanatory of the Privileges, Rights, and Benefits Provided for Persons Who Served in the Armed Forces of

the United States During World War I, World War II, or Peacetime (After April 20, 1898), and Those Dependent Upon Them, With Special Reference to Those Benefits, Rights, and Privileges Administered by the Veterans' Administration" (House Doc. 772, 79th Cong., 2d sess.) be revised and printed as a House document, and that 91,300 additional copies shall be printed, of which 66,300 copies shall be for the use of the House of Representatives, 20,000 for the use of the Senate, 2,000 for the use of the Committee on Veterans' Affairs of the House of Representatives, 2,000 for the House document room, and 1,000 for the Senate document room.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SPECIAL COMMITTEE TO INVESTIGATE THE NATIONAL DEFENSE PROGRAM

Mr. Lecompte. Mr. Speaker, I submit a privileged resolution (S. Con. Res. 52) and ask for its immediate consideration.

The Clerk read the concurrent resolutions, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed 7,000 additional copies of the report (Rept. No. 440, pt. 6, current session) of the special committee of the Senate authorized and directed to make a study and investigation of the operation of the war program, of which 5,000 copies shall be for the use of the special committee, 1,000 for the use of the Senate document room, and 1,000 for the use of the House document room.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

NATIONAL AVIATION POLICY

Mr. Lecompte. Mr. Speaker, I submit a privileged resolution (S. Con. Res. 53) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed 5,000 additional copies of Senate Report No. 949, current session, entitled "National Aviation Policy," for the use of the Congressional Aviation Policy Board.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

DISTRICT OF COLUMBIA

The SPEAKER. This is District of Columbia day. The Chair recognizes the gentleman from Illinois [Mr. DIRKSEN], chairman of the Committee on the District of Columbia.

REGULATION OF CERTAIN INSURANCE RATES

Mr. DIRKSEN. Mr. Speaker, for the information of the House, may I say that we have only one bill concerning the District of Columbia to consider today.

Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3998) to provide for regulation of certain insurance rates in the District of Columbia, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 22, after "reinsurance", insert "other than joint reinsurance to the extent provided in this act."

Page 3, line 1, after "title", insert "insurance."

Page 3, line 18, strike out "insurers" and insert "companies."

Page 4, line 2, after "upon", insert "the."

Page 4, lines 3 and 4, strike out "purpose of insurance."

Page 4, line 5, after "considerations", insert "attributable to such risks."

Page 4, line 12, strike out "insurers" and insert "companies."

Page 4, line 14, strike out "insurers" and insert "companies."

Page 4, line 15, strike out "be made" and insert "become."

Page 4, line 15, after "immediately", insert "upon filing."

Page 4, line 21, after "act.", insert "Rates for contracts or policies described in the last sentence of subsection (c) of section 4 of this act may become effective when made and filing thereof shall be made promptly thereafter."

"(g) No company, agent, or broker shall make, issue, or deliver, or knowingly permit the making, issuance, or delivery of any policy of insurance within the scope of this act contrary to pertinent filings which are in effect for the company as provided in this act, except that upon the written application of the insured stating his reasons therefor, filed with and approved by the Superintendent, a rate in excess of that provided by a filing otherwise applicable may be used on any specific risk."

Page 4, line 23, strike out "January 1, 1948" and insert "July 1, 1948."

Page 5, line 11, strike out "being made."

Page 6, line 11, after "policy", insert "other than one of workmen's compensation or automobile liability insurance."

Page 6, line 12, after "or" where it appears the second time, insert "a contract or policy of any type."

Page 7, line 1, strike out "admitted insurers" and insert "companies."

Page 7, lines 4 and 5 strike out "insurer" and insert "company."

Page 7, line 10, strike out "admitted insurers" and insert "companies."

Page 7, line 14, strike out "insurers" and insert "companies."

Page 7, strike out all after line 22 over to and including line 3 on page 8.

Page 8, line 8, strike out "insurers" and insert "companies."

Page 8, line 19, strike out "such."

Page 12, lines 6 and 7, strike out "Insurers" and insert "Companies."

Page 12, line 7, strike out "insurer" and insert "company."

Page 12, line 14, strike out "insurer" and insert "company."

Page 12, line 18, strike out "review" and insert "revise."

Page 12, line 21, strike out "insurer" and insert "company."

Page 12, line 25, strike out "insurer" and insert "company."

Page 13, line 4, strike out "insurer" and insert "company."

Page 13, line 21, after "information" insert "as."

Page 13, line 22, strike out "act;" and insert "act. The expense of such examination shall be paid by the company or rating organization examined. In lieu of such examination the Superintendent may, in his discretion, accept a report of examination made by any other insurance supervisory authority."

Page 14, line 5, strike out "insurers" and insert "companies."

Page 14, strike out lines 7 to 14, inclusive, and insert:

"(d) The Superintendent may designate one or more rating organizations or other agencies to assist him in gathering statistical data and in making such compilations thereof as may be necessary for the proper administration of this act. Such compilations shall be made available, subject to reasonable rules promulgated by the Superintendent, to companies and rating organizations."

"The Superintendent shall have no authority at any hearing to compel the attendance of witnesses and he shall not be required to adhere to formal rules of pleading or evidence. At the request of a party or parties in interest made prior to any hearing, he shall administer oaths to witnesses and shall permit such party or parties, at the cost and expense of one who so requests, to have made a record of the hearing, which record upon request of such party or parties the Superintendent shall certify."

Page 15, lines 17 and 18, strike out "take effect October 1, 1947" and insert "become effective 30 days after approval."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

GOVERNMENT CORPORATIONS APPROPRIATION BILL, 1949

Mr. Ploeser. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6481) making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1949, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that debate continue until later in the afternoon, when we can more easily determine how much time will be required, and that the time be equally divided and controlled by the gentleman from Tennessee [Mr. Gore] and myself.

Mr. GORE. That is agreeable to me, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6481, with Mr. GRANT of Indiana in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. Ploeser. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the bill before the committee is an appropriation bill to allow either direct appropriations for the capital funds or expenses of 84 different Government corporations, or to put limitations on their administrative expenses. I think it is quite an interesting fact to know that the Government of the United States today operates 86 different Government corporations, all of

which, with the exception of 2, are included in this particular appropriation bill. When we say we operate that many government corporations, we also say at the same time that we have granted to those corporations, the 86, some twenty-nine and a half billion dollars' worth of borrowing power. That means that these corporate functions of the Federal Government have at their command and disposal approximately \$30,000,000,000 worth of cash and credits, which in itself is a tremendous impact upon the economy of this Nation, depending entirely upon the administration of these corporate bodies. I think it must also be said at this point that while they have approximately \$30,000,000,000 worth of borrowing power, they are at the present time only using a little less than \$12,000,000,000. We have attempted in this bill to make certain rescissions of surplus funds where we think they were unnecessary for the continued successful operation of the corporations. In such cases we have made rescissions. The committee has felt it is their duty as expressed in the Government Corporations Control Act not only to carefully scrutinize the use of Government funds and Government credit, but also to carefully watch where there may be surplus funds wholly unnecessary to the vital functions of such Government corporations and in such cases rescind and pay back into the Treasury such funds. The committee has also felt it is the implied duty or the written duty in the Government Corporations Control Act to see to it that the multiplicity and various ramifications of the construction of these corporations are simplified insofar as possible. That has been done by legislation through the various legislative committees to some degree and by act in the Government Control Act. It has been done over the past three appropriating seasons. This is the third such bill to come before the Congress of the United States subsequent to the Government Corporations Control Act of 1945.

The bill covers all except the Commodity Credit Corporation and the Federal Crop Insurance Corporation, both of which were included in the agricultural appropriation bill of this year. The bill also excludes the Virgin Islands Company, which corporate charter expires on June 30, 1948. There has not as yet been renewal, though there has been reported out of the Committee on Public Lands a bill which would reconstitute and redesign in its entirety the Virgin Islands Company. The committee has read and has heard the subject matter of new proposed legislation and has developed certain opinions on the subject and made certain recommendations to the legislative committee. If such legislation becomes law prior to the adjournment of this session of the Congress, the committee will be ready to bring rapidly to the floor a second bill which would include the Virgin Islands Company.

Mixed-ownership corporations are not included in this bill. It has been the opinion of this committee, and we wrote into the bill last year, and it was twice

passed unanimously by the House, a provision which would have included the so-called mixed-ownership corporations in the Government Corporations Control Act. It did not become law. I think I can safely say it is still the unanimous opinion of this committee that it should become law. We sought this year, as far as humanly possible, not to bring anything in this bill which would have the semblance of legislative action. We are hopeful that legislative action will take place soon, probably in the next Congress, to bring under the supervision of the Congress these mixed-ownership corporations. It seems utterly ridiculous to this committee that Government corporations which are in some instances owned possibly 97, 98, or 99 percent by the Federal Government, should be outside of congressional appropriation control, and, of course, utterly ridiculous that they should be at any time outside of Federal audit control.

In this bill is included appropriations for the administrative expense of the Reconstruction Finance Corporation. I think the committee should confess at the outset that the extension of the corporate authority for RFC has not yet taken place, although both Houses of Congress have acted, this House last week. We have tried in this bill to make the appropriation because we have confidence that the two Houses will consolidate their thinking and come in here within the next few days with a bill which will become law within probably the next fortnight. In such case, we believe it expedites matters for us to include in this bill, knowing what is in each bill as it has passed each of the Houses, we feel we are safe in our estimates which, in the main, must be, to some substantial degree, guesses on the part of both the RFC and on the part of the Congress.

The RFC, as you know has been stripped back until it is quite a different size. The very nature of its activities are quite different than they have been over most of the past decade, particularly during the wartime period. We felt that the House would not feel there was an imposition exercised by this committee by including the RFC, under the circumstances.

The committee report this year is quite lengthy. I think it might be well understood, without my even mentioning it, that there have been those who have sought to become joco-serious on the subject of the committee report and its length, especially in view of the fact that this committee has a reputation for brevity, having passed its bills in the past sessions in extremely short periods, one of them less than a minute—the second Government corporations appropriation bill for 1948. So that it is out of cast for this committee to make a report of 76 pages. Nevertheless, we felt it necessary because we felt at some time or other there must be a documentation of the list and the scope and activities of these 86 Government corporations, and we have attempted to prepare that type of document in the committee report. We

trust the indulgence of the House and we recommend for their edification the reading of this committee report.

In order to try to brief that which is contained in the report, I am going rather hurriedly through the various corporations and for the RECORD state what the committee has sought to do.

I might say this is the second time in the history of this committee in which there has been a division of opinion, in this case this year only on one subject, which might be referred to as the one "hot spot" in the bill. That is the question of whether or not the Appropriations Committee and the Congress have authority for allowing funds for the construction of a steam plant in connection with the Tennessee Valley Authority.

That is one of the very first subjects of the bill and one of the very first subjects, of course, of the committee report, and that is the only point on which there has been a division of views. The expression of this division is in the committee report.

I want to say for the committee that it is a great privilege to preside over such a group of men. I have never in my life worked with a group of men who more sincerely tried to accomplish a job in a harmonious fashion. There are things in this bill which probably are in disagreement as to the thinking of the various members of the committee but in which the committee has been able to find a common ground of action believing it for the welfare of the Federal Government and of the people served thereby. I have never in my life had a more happy experience than working with this group of men. That applies under the original chairmanship of the distinguished gentleman from Texas [Mr. MAHON] in the Seventy-ninth Congress, and his able and distinguished successor, the gentleman from Iowa [Mr. JENSEN], in the first session of the Eightieth Congress. I come by the present position strictly by inheritance.

In the first portion of the bill we have appropriated for the Tennessee Valley Authority. Direct appropriations from the Treasury, allowed in the current fiscal year 1948, were \$18,708,000. The TVA estimate for 1949 was \$35,154,600. The committee allowed them \$27,389,061.

The total Federal funds in the custody of the TVA, the proceeds from operations for the fiscal year 1948, were some \$87,717,930. Under this appropriation bill it would be \$78,042,930. Those funds are proceeds from the operation of the Tennessee Valley Authority and not directly appropriated funds from the Federal Treasury.

We have allowed them the same amount of funds to be usable from their own proceeds of operation as they requested. There is one difference, however, that comes about in the ultimate construction of this statement that I have just made, and we have made a difference in the requirement of the pay-back under the amortization plan developed in 1948 than they proposed to make themselves. So the total funds available for TVA for 1949 if these estimates of proceeds from

operations are accurate, is \$105,431,991, a considerable sum.

I am putting in the RECORD at this point a summary of their appropriations, capital expenditures and expenses properly segregated so it may be clearly understood by all.

DIRECT APPROPRIATIONS—CAPITAL EXPENDITURES

The following tabulation reflects the recommendations of the committee with respect to the appropriated funds requested:

Direct appropriation recommended for fiscal year 1949

Program or activity	Budget estimate ¹	Recommended by committee	Increase (+) or decrease (—)
For assets:			
Upper Holston projects.....	\$15,142,000	\$15,142,000	-----
Additions and betterments to completed projects.....	1,378,000	1,176,000	—\$202,000
Navigation facilities.....	480,000	480,000	-----
Power facilities.....	4,000,000	-----	—4,000,000
Investigations for future projects.....	96,000	96,000	-----
Chemical facilities.....	3,551,000	2,337,000	—1,214,000
Facilities and equipment for general use.....	3,389,600	2,458,000	—931,600
Norris and Wilson villages.....	23,000	-----	—23,000
Total for assets.....	28,059,600	21,689,000	—6,370,600
For expenses:			
Fertilizer and munitions research and development.....	1,367,000	1,134,000	—233,000
Resource development activities.....	5,150,000	4,265,000	—885,000
Navigation operations.....	257,000	257,000	-----
Flood-control operations.....	52,000	52,000	-----
Administrative and general expenses.....	1,260,000	992,061	—267,939
Operation of Norris and Wilson villages.....	99,000	100,000	+1,000
Total for expenses.....	8,185,000	6,800,061	—1,384,939
Total for assets and expenses.....	36,244,600	28,489,061	—7,755,539
Funds available from prior years and depreciation and clearing adjustment.....	—1,100,000	—1,100,000	-----
Working capital adjustment.....	+10,000	-----	+10,000
New appropriation.....	35,154,600	27,389,061	—7,765,539

¹ Revised to show administrative and general expenses and deficit of Norris and Wilson villages as separate items.

In direct appropriations for so-called capital expenditures the estimates for the South Holston and Watauga Dams and for navigation facilities are approved in full by the committee. This, I think, is worthy of attention because it is ample demonstration, there was no feeling, no intention, no action taken in regard to this bill which would in the slightest degree indicate that the members of the committee are opponents of public power. I must say that during the course of the last few weeks letters obviously incited by various municipalities in the Tennessee Valley, and, I am

inclined to suspect, incited sometimes by some branch of the administration of the Tennessee Valley Authority, which have indicated that the word has been sent out that the Congress intended to withhold funds for completion of these dams. There has never been any such suggestion made on the part of any member of this committee during its deliberations. It has been very plain to me that it is nothing but a question of a propaganda effort to try to build in the minds of those good people in the Tennessee Valley that this committee is against the completion of these dams which have for their primary purpose navigation and flood control and which have as an auxiliary result the disposition and sale of a surplus commodity known as hydroelectric power.

Mr. Chairman, I yield myself 15 additional minutes.

Mr. Chairman, estimates were submitted for additions and betterments to multi-use projects, chemical facilities, and facilities for general use in Norris and Wilson villages, which were reduced by unanimous agreement of the committee.

There was an estimate of \$4,000,000 to begin construction of a steam plant in connection with the Tennessee Valley project. The committee has denied that \$4,000,000. This \$4,000,000 is merely the beginning of a proposed project that would ultimately cost \$84,000,000. There was great question in the minds of the members of the committee that the committee had any authority to make an appropriation for a steam plant. I am one who believes that the committee does not have such authority and the committee in its majority sustained that opinion. Yet it must be again pointed out, and I wish to emphasize this, that the hydroelectric turbines, those units necessary for the full use of hydropower as it might be directed into the development of electric current for use in the Tennessee Valley and its tributaries, has been allowed in this bill; but for us to interpret the Tennessee Valley Authority Organic Act to mean that the Congress intended the TVA should create a great Government power monopoly in the Tennessee Valley and its tributaries is something that this committee could not assume as an original intent. Yet that is the proposed program and it is clearly divulged in the request for this appropriation for a steam plant.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. PLOESER. I yield to the gentleman from Michigan.

Mr. CRAWFORD. Does this bill carry any part of the appropriation referred to for the building of a steam plant?

Mr. PLOESER. The bill does not.

Mr. CRAWFORD. Does this bill carry any authorization or appropriation for it?

Mr. PLOESER. The bill does not carry any authorization nor does it carry any funds for the building of a steam plant.

Mr. CRAWFORD. At what time would that become an issue so far as a

vote on the floor of the House is concerned?

Mr. PLOESER. Well, the Tennessee Valley Authority portion comes in the first part of the bill.

Mr. CRAWFORD. I understand that.

Mr. PLOESER. It will become an issue very quickly after we begin to read the bill for amendments under the five-minute rule.

Mr. CRAWFORD. In other words, the bill will be subject to amendment so that the steam plant operation may be injected into the bill and put in it, if the House sees fit?

Mr. PLOESER. That is right.

Mr. CRAWFORD. I thank the gentleman.

Mr. PLOESER. Mr. Chairman, it must be said that in the 1948 act the committee tried to work out a program of amortization, somewhat different from that enacted by the House this year in connection with other hydroelectric projects, because this is not an identical situation so far as investment and ultimate ownership are concerned.

The committee tried to work out a 40-year program of amortization which, after all is said and done, pays little more, if any more, than the actual interest owed the Federal Government. This amortization should be paid, we hoped, one-fourtieth each year. But, we divided it into four sections of 10-year periods, allowing for that unusual circumstance of a drought year in which they may be so handicapped by their income from power that they could not make an adequate payment. We did not have such a year last year, and we do not have such a year this year, and yet the Tennessee Valley Authority came to the committee this year, with Budget approval—whereas it had paid \$10,500,000 on amortization last year, which was an amount somewhat in excess of its one-fourtieth annually or one-tenth of the quarter period—and offered to pay \$2,500,000, which is a fixed charge on the retirement of bonds—1 percent bonds, by the way, and in addition to the \$2,500,000 most magnanimously offered \$60,000 as a further amount on amortization. To me that constituted a breach of faith of the general understanding that was arrived at in last year's appropriation discussion and action. In my opinion there was utterly no justification for such an extreme abuse of the quarter period which we have written in as compromise in last year's appropriation bill. And, there is considerable evidence—though all the members of the committee may not feel quite as strongly as I do about the subject—that the Members have been taken aback and utterly surprised that the TVA would presume to make such estimates.

By unanimous agreement in the committee we have changed that and ordered a pay-back more nearly commensurate with the one-fourtieth by taking into consideration what they overpaid last year and making further allowances for their needs in accordance with contract commitments for the installation of the hydro turbines. Then they come up short on the basis of two-fortieths by

\$1,411,862. In the ensuing year we may be able to make them pay up to date on their amortization program. I think any such attitude on the part of the committee is extremely liberal, and, as I said before, it was arrived at by unanimous agreement.

Figures on amortization of power investment
 Total amortization requirement
 (July 1, 1948) ----- \$348,239,420
 10-year period ----- 87,959,810
 1-year period ----- 8,705,981
 Paid in 1948 ----- 10,500,000
 Overpayment ----- 1,794,019
 To pay in 1949 ----- 5,500,000
 Short ----- 1,411,862

There are many other detailed things which might be discussed as we go on. I do not want to take so much of the time of the committee on this one subject at this point in the discussion, and allow it to overshadow all other things which are included.

Now, in this bill we have the Housing and Home Finance Agency. To the Members of Congress and to the general public it is a rather difficult thing to keep up with the up-to-the-minute title of that agency which deals with housing and all of its ramifications. Under Executive order there have been so many changes that even this Appropriations Subcommittee, which is charged with the direct responsibility of making appropriations over that entire field, finds it difficult at times to keep up with the successive names and titles and reorganization programs instituted by the Executive. But that which a year ago was called the National Housing Agency is now the Housing and Home Finance Agency, and I hope it will keep a similar name long enough for everyone to understand that which is going on. It is another one of those cases where under the reorganization and various groupings of Federal agencies we find a superstructure superimposed on many other structures. Whether it leads to economy is something that I have yet to learn. I must be frank to confess that my observations in my time in government have been that most such reorganizations merely superimpose a new agency for which new appropriations are necessary, and all too frequently appropriations increase and do not decrease. We have not had sufficient experience with the life of this Agency to even predict, except to say this, that the committee has considerable confidence in the man who heads the Agency, and we feel that he is making a sincere effort, and a demonstration of our feeling on the subject is the fact that we have included in this bill allowance for \$2,000 increase in his compensation, from \$10,000 to \$12,000.

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. PLOESER. I yield to the gentleman from Nebraska.

Mr. BUFFETT. I should like to make an inquiry in connection with the Federal contribution to these low-rent housing projects. Is it correct to say that all cities are treated in a uniform manner in the making of these Federal subsidy payments to the communities?

Mr. PLOESER. No, I would not say it is correct to say they have all been treated in a uniform manner in the arranging—let us put it that way—of these Federal subsidies on the part of the agency which made the arrangement. The committee has sought to treat them as uniformly as is humanly possible, in view of the things which occurred in the past. In the case of payments in lieu of taxes, for example, the only point in controversy, I believe, we have allowed these payments where there is contractual obligation to do so, and where there is not contractual obligation to do so we have not made such allowances.

Mr. BUFFETT. The amount of allowance you make is what the contractual relationship is?

Mr. PLOESER. That is right.

Mr. BUFFETT. You have neither raised nor lowered it?

Mr. PLOESER. That is right.

Mr. BUFFETT. If there is not uniformity it is because the authorities here created a situation of nonuniformity?

Mr. PLOESER. That is certainly correct.

Mr. BUFFETT. You have felt that it is impractical to try to make these payments uniform?

Mr. PLOESER. I think probably it is impossible to do so without breach of contract. There are two members of the committee whom I consider far more expert than I on this subject. If the gentlemen want a more technical answer, I would be happy to yield to the gentleman from New York [Mr. Coudert], or the gentleman from Mississippi [Mr. Whitten], who would be able to give the gentleman the information.

Mr. BUFFETT. I am afraid I would be tangled up in the technicalities, but I have a complaint that cities are not being treated uniformly. I should like to get in plain language the answer to that situation. I think the gentleman has given it to me pretty generally.

Mr. PLOESER. We did not create the situation. We are dealing with a thing we inherited under the Government Corporations Control Act. Where uniformity is lacking it was not of our creation. We are dealing with circumstances as they are, and trying our best to be as fair in the handling of those circumstances as we can.

Mr. BUFFETT. Do the public authorities responsible for the nonuniformity make any plausible explanation of the situation?

Mr. PLOESER. I am happy to yield to the gentleman from New York [Mr. Coudert] to answer that question.

Mr. COUDERT. I may say to the gentleman from Nebraska that the chairman of our committee has stated the situation as I understand it. In each case the Public Housing Authority made a contract with the individual municipality. This committee has taken the position that it can only authorize the spending of such money as was legally obligated under the existing contractual arrangement. If there is lack of uniformity, it is because the individual municipalities accepted differing contracts. That is all there is to it, I think.

Mr. BUFFETT. In other words, the cities in the first instance made what now turns out to be a bad deal, and the committee does not feel it has the power to remedy that situation?

Mr. COUDERT. The committee has no power to remedy the contractual situation unless they choose to give away something which it is under no obligation to give away.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. PLOESER. I yield.

Mr. WHITTEN. I might say that of course there is a great difference of opinion as to what the cities and municipalities are entitled to, but no difference of opinion as to what they would like to get. At the outset the basic law provided that there would have to be a 20-percent contribution on the part of the cities in order to qualify for this program. Some have provided their 20 percent through outright tax exemptions in its entirety. Others have contributed their part in one way or another. They did not exempt them from all taxation. So there were different contracts to start with. Later in those situations where they were not required to give full tax exemptions, the FPHA started making terms. They provided in their contracts that they would make some payment in lieu of taxes where cities have made contributions other than tax exemptions. So it called for different kinds of contracts. But in the largesse, you might say, of the FPHA as it was then operated in its desire to give away Federal money, they took it upon themselves to give up to 10 percent as a shelter rent to all cities, even in those cities where the contract did not so provide. This committee in an effort last year to bring them back within the original contract and within the law struck out such payments where we could; and where the contracts required such payment, of course, we had to leave them alone.

Mr. BUFFETT. I thank the gentleman for his information.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. PLOESER. Mr. Chairman, I yield myself 10 additional minutes.

We have done this briefly in the office of the Administrator in the Housing and Home Finance Agency. In 1948 they had \$100,000 in appropriations, plus transfers of \$765,000, giving them a total of \$865,000. They made estimates for 1949 of \$910,000. We have approved \$750,000 and we think that the design of the office can pretty well be predicated on the amount of the money they have to spend. There is no explicit requirement for the specified request.

With reference to the Home Loan Bank Board, they had \$1,400,000 in 1948. They requested \$1,882,000. We have given them \$1,800,000 for 1949, which is an increase over 1948 to provide funds for examinations of insurance and savings and loan institutions. They have a backlog of examinations, and we feel it a very dangerous thing to allow such a backlog to exist. We think these examinations should be up to date and efficient, so we have acted here so that

they might be. With reference to the Federal Savings Loan and Insurance Corporation, they had \$532,248. They asked for \$635,000 in 1949. We have given them \$600,000. The increase was granted for additional personnel for supervision and aid to insured savings and loan associations in financial trouble and to keep them out of trouble. There is much to be said on this subject, and I hesitate to go into it and to take too much of the committee's time today, but I think this much should be said. The committee has been extremely apprehensive about the practices carried on by the savings and loan associations. We find all too frequently where people interested in the contracting business, in the home-building business, or in the legal profession, without any offense to the legal profession or to the builders or the insurance business, which happens to be my own particular line, so I indict them, too, along with the others, have formed these associations. Their purpose seems to be the earning of additional fees other than the actual interest and fees chargeable directly to the making of loans. We think that is an extremely bad practice and feel that it brings a constant bearing influence upon their judgment in making insured loans and also upon the judgment incurred in the general conduct of business. We have advocated against it in last year's report, and we repeat that admonition in this report.

When you consider that the Federal Savings and Loan Insurance Corporation insures in its constituent members \$5,000 of the deposits for each account, you might readily assume that it is substantially a blanket insurance coverage over the assets of each of those organizations.

The same is true of the Federal Deposit Insurance Corporation. The same is true, both in its application to commercial banks and its application to mutual savings banks. You can figure the limitation of your insured risk all in one by assuming that the restriction of \$5,000 per account is in fact, as well as in theory, a tight restriction. The fact still remains that by insuring every account to the limit of \$5,000 you are substantially insuring the balance sheet of that subscribing organization.

So I think it is highly important that the Federal Government see to it that the activities and affairs of these insured institutions are carefully examined, and do not allow themselves to run a course of loose business.

The same applies, and the same admonition might be given, to the Federal Housing Authority. Most of us assume that the Federal Housing Authority, in its program of insurance, has been a most successful venture, because during a period of an inclining economy, greatly accelerated by the war, it has been true that some of the units of insurance have worked themselves out and paid off successfully. But there has never been a test. What would happen during a period of declining economy no one knows. There is no precedent for such insurance. Neither is there any precedent for the Federal Deposit In-

surance Corporation, or for the Savings and Loan Insurance Corporation. For us to assume that our reserves are adequate or that our premiums are sufficiently high is to make an assumption predicated upon no experience whatsoever which is adequate to test the situation.

No insurance company is worthy of its name until it can survive the excruciating situation. To merely take in premiums and to have little or no losses to pay out is never a test of an insurance company. When that period of extreme loss occurs—and it will not occur in our housing program or in our bank insurance program in this Nation until we go through a rather long period of a declining economy or perhaps a rather short period of abrupt decline in the economy—not until then will we know whether or not our experiment has been well managed.

So for us to assume that it has been is to accept a false premise.

In the Home Owners' Loan Corporation we have a situation where the continuation of liquidation is the job in hand, and it is declining each year. There is a proviso in this bill to transfer the actual stock of the Federal Savings and Loan Insurance Corporation from the Home Owners' Loan Corporation to the Treasury, where it really belongs, and have the Treasury cancel a similar amount of HOLC stock, which is \$100,000,000. No equities are disturbed, since both corporations belong to the Treasury anyway, but it does clean up some of the ramifications of indirect Government financing, which I might say well parallels in many cases some of the most difficult and problematic situations of which private industry has been accused in the past. I find little difference. The HOLC was established June 13, 1933, and has authority to acquire the mortgages of distressed home owners and their obligations and liens, secured by real estate, in exchange for its own bonds. This authority expired June 30, 1936, and since that time HOLC has been going through liquidation. The outstanding liabilities as of June 30, 1947, total \$550,853,000. It is estimated that as of this June 30 such liabilities will be reduced to \$385,134,000, and as of the subsequent June 30, or the close of the 1949 fiscal year, it will be reduced to \$256,491,000. It is now about 84 percent liquidated. I will put other figures in the RECORD so you may have a comprehensive statement of the subject.

Total obligations authorized to be outstanding amounted to \$4,750,000,000, against which a total of \$3,489,453,550 was issued. Outstanding liabilities on June 30, 1947, totaled \$550,853,000, and estimated for June 30, 1948, will be \$385,134,000, and estimated for June 30, 1949, will be \$256,491,000. Now about 84 percent liquidated.

From June 1933 to June 1936 HOLC made total of 1,017,801 loans, majority of which ran for 15 years, and some of which have been extended. At June 30, 1947, HOLC had outstanding 351,127 mortgage loans and vendee accounts, having value of \$557,018,000.

Deficit:

June 30, 1946.....	\$81,436,000
June 1947.....	62,146,000
June (estimated) 1948.....	47,309,000
June (estimated) 1949.....	36,301,000

In connection with FHA they have \$20,200,000 in 1948. They asked for \$19,000,000 for 1949. We gave them \$19,000,000. It is not yet fully possible to really know what these administrative expenses may be. The Congress has not finished in all probability its final action on the subject in this session and it may be necessary to make further supplemental appropriations depending upon the action of the Congress.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. PLOESER. Mr. Chairman, I yield myself five additional minutes.

I am putting in a statement about low rental contribution inasmuch as that has been brought up. I am putting it into the RECORD so I will not take any further time on the subject:

Public Housing Administration administrative expenses

1948	\$11,500,000
1949 (estimate)	11,000,000
1949 (approved)	9,000,000

Centralization of controls in Washington, closing some field offices, etc., will permit greater efficiency and reductions.

Low-rent contributions (direct appropriation)

1948	\$4,000,000
1949 (estimate)	6,200,000
1949 (approved)	4,840,000

Increase granted to provide for decreased revenues due to eviction of high-income tenants, and reserve adjustments. The estimate of \$1,360,000 for increased payments in lieu of taxes was denied by committee, on basis of the same position it took last year.

(PHA administers low-rent housing and (so-called) slum-clearance program under United States Housing Act of 1937. Operates all federally owned nonmilitary nonfarm housing. Liquidates public war housing and other programs. Supervises management of temporary housing for veterans and their families under title V of Lanham Act.)

Under the Farm Credit Administration set-up we have quite a multiplicity of functions. I am putting into the RECORD at this point a portion of the report which I hope all of you will read, because we have to delineate in as brief language as possible the break-down in the expenditures. In the central office we have allowed them \$500,000 of their request of \$531,000. There has been a very definite trend toward reduction in the expense of these activities. The committee is glad to say that and feels that certain trends can be established.

FARM CREDIT ADMINISTRATION ORGANIZATION AND FUNCTIONS

The farm-credit system is comprised of the Farm Credit Administration, a nonincorporated governmental supervisory agency, and 51 corporations. For operating purposes, the Nation is divided into 12 farm-credit districts, one of which includes Puerto Rico. At each district office there are four corporations—a Federal land bank, a Federal intermediate credit bank, a production-credit corporation, and a bank for cooperatives—43 corporations in all. The other three corporations are located in Washington, D. C. They are the Federal Farm Mortgage Corporation (the land banks act as agents for Federal Farm Mortgage Corporation), the Regional Agricultural Credit Corporation, and the Central Bank for Cooperatives. The functions of these institutions are:

Farm Credit Administration: Supervises, examines, services, and coordinates the 51 corporations; supervises and examines the joint-stock land banks (privately capitalized—five remained at June 30, 1947, of which four had adopted plans for liquidation), organized under the Federal Farm Loan Act, approved July 17, 1916 (39 Stat. 360); administers the Agricultural Marketing Act, approved June 15, 1929 (46 Stat. 11), and the Cooperative Marketing Act of 1926 (44 Stat. 802). The Farm Credit Administration was established as an independent agency by Executive Order 6084, dated March 27, 1933, and was transferred to the Department of Agriculture effective July 1, 1939, pursuant to section 401 of the first plan on Government reorganization of April 25, 1939.

Federal land banks: The 12 land banks, organized in 1917 under the Federal Farm Loan Act approved July 17, 1916 (39 Stat. 360), provide long-term first-mortgage farm loans. They operate principally through 1,262 cooperative associations, known as national farm-loan associations, owned by the borrowers.

Federal intermediate credit banks: The 12 intermediate credit banks, established in 1923 under the Agricultural Credits Act of 1923 (42 Stat. 1454), discount short-term agricultural and livestock loans for and make loans to production-credit associations, banks for cooperatives, and other financing institutions.

Production credit corporations: These 12 corporations, established in 1933 under the Farm Credit Act of 1933 (48 Stat. 257), supervise and in part capitalize the local production-credit associations which make short-term production loans to farmers and stockmen. There are 504 such associations, 31 of which are entirely owned by the members.

Banks for cooperatives: The Central Bank for Cooperatives and the 12 district banks, established pursuant to the Farm Credit Act of 1933 (48 Stat. 257), extend short-term and long-term credit to cooperative associations dealing in farm products, farm supplies, or farm business services.

Federal Farm Mortgage Corporation: Established under the Federal Farm Mortgage Corporation Act, approved January 31, 1934 (48 Stat. 344), to provide first-mortgage loans not eligible for the land banks and second-mortgage loans as provided by section 32 of the Emergency Farm Mortgage Act of 1933 (48 Stat. 48), to assist the land banks financially during periods of emergency, and to make loans to joint-stock land banks. Authority to make mortgage loans ceased on July 1, 1947.

Regional agricultural credit corporations: Established under the Emergency Relief and Construction Act of 1932 (47 Stat. 713) for the purpose of supplying short-term production credit. They were placed in liquidation in 1934, following establishment of the production-credit system, and by February 1, 1944, the 12 corporations had been consolidated into 1—the Regional Agricultural Credit Corporation of Washington, D. C. Since 1941 loaning activities have been undertaken intermittently in restricted areas to meet emergencies only.

In the case of the Federal Farm Mortgage Corporation, they asked for \$2,160,000. We gave them \$2,000,000. They have been and are liquidating loans. The present borrowing power of the Corporation is \$2,000,000,000. They came up with a Budget proposal to reduce it to \$1,000,000,000. We reduced it to \$500,000,000, because we could find nowhere in any of the justifications or in the statement of anyone at all where there would be any greater demand under the

most adverse circumstances for more than \$230,000,000 in any one year; and we felt that our action, in view of the fact that they still have a revolving fund of \$200,000,000, was extremely on the liberal side. I may say there is no objection on the part of the Farm Credit Administration or any of their constituent units.

The Budget suggested that there might be a return in the coming fiscal year, 1949, of \$68,000,000. The bill makes this definite. We pay back into the Treasury surplus funds of \$68,000,000 out of the Farm Credit Corporation funds.

Now we come to the Federal intermediate credit banks. I think the committee—and it is probably as much my fault as anyone's—cut them a little too fine in their funds for the fiscal year 1948. It has had a good effect as well as a slowing-down effect on some of the operations of these banks. We have tried to remedy our error. Confession alone is not sufficient. We have given supplemental appropriations of \$107,500, and in this current year against their request of \$1,647,800 we have given them \$1,500,000.

The production credit corporations requested \$1,602,000; we gave them \$1,350,000.

I could go on at great length on this subject, but I do not care to take that much time of the Committee, but their operation is almost purely paternalistic. The day has arrived when they are not making any extensive investments in production credit associations, but more in the social field than in the actual lending field or the extension of capital.

We found that they had about \$65,000,000 invested in Government bonds in which they were obviously speculating. They were speculating to their hearts' content in the Government bond market throughout the year and they were having a good time at it. We see no excuse whatsoever for any agency of the Government using surplus funds just to satisfy their own vanity as investment speculators, and we have written into this bill a provision taking \$60,000,000 of their funds and putting it in the Treasury in the fiscal year 1949.

The Regional Agricultural Credit Corporation is operating on a stand-by status. They asked for \$46,800, and we have given them \$46,800; and by merely a general understanding we reduced their revolving fund from \$44,000,000 to \$25,000,000, which is comparable to a similar revolving fund allowed to the Reconstruction Finance Corporation for emergency purposes. In the case of the St. Paul Land Bank we have a most astounding situation. The conference report of the House and Senate last year recommended that these mixed-ownership situations be cleared up by being sold out so that they would be owned by private interests as soon as possible. In the case of the St. Paul land bank they "pulled" what to me is an unpardonable sin. They borrowed from the Farm Mortgage Corporation the sum of \$21,000,000 so that they might have sufficient funds

with which to pay off the Federal Treasury for their capital stock. In other words, they borrowed from the Federal Treasury to pay the Federal Treasury in order to get themselves out from under the control of Congress. I can find no place where anyone could give a reasonable excuse for such unpardonable action. In the field of private business, men have not only been subjected to extreme censure for such action in that sort of manipulation of funds but, if my memory recalls correctly, some of them have been indicted and found guilty for such actions.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. PLOESER. Mr. Chairman, I yield myself five additional minutes.

Mr. Chairman, I see no reason to excuse any such action on the part of a Government agency and the committee has sought in this report to adequately censure them for such action. In the case of a repetition I think the committee would seek to take even stronger action than it has in simple words.

In the case of the Panama Railroad, one of the old steady operating corporations, we found that they had \$13,000,000 in unnecessary reserves in the form of Government bonds. We saw no reason why they should be in the Government bond market more than anyone else, so the committee has recouped and rescinded the amount of \$10,000,000 of the \$13,000,000 as dividend payment to the Treasury.

The Inland Waterways Corporation requested \$3,000,000 of new capital funds. In view of legislation pending, having been reported by the Committee on Interstate and Foreign Commerce, for permission to the Department of Commerce to make a sale in accordance with the recommendations of both the Small Business Committee of the House and the Appropriations Committee last year, we have seen fit to allow them \$2,000,000 of their request so that they might continue their operations in the hope such sale might be consummated and such legislation may become law before the adjournment of the present session of Congress.

The Reconstruction Finance Corporation requested \$25,796,000. We have allowed them \$24,796,000.

I have commented on their general operations sufficiently, I believe, but there is one thing to which I call the Committee's particular attention. This will be found on pages 55 and 56 of the committee report. In this appropriation bill we have written off to bring into proper book balance in the Treasury the accounts of the RFC in the sum of \$9,313,736,531. I will not attempt to explain this in detail except to say that it has no effect whatever upon the national debt. The impact on the national debt has already been felt. This is simply a bookkeeping operation. There may be further salvage and any further sal-

vage will be paid directly into the Federal Treasury after the RFC has deducted those necessary expenses for disposal of the surpluses retained as a result of its war activities.

Write-off of war and related unrecoverable expenses provided for in bill, in amount of \$9,313,736,531.

Summary of the items tabulated in report as follows:

Statement of net expenditures for national defense, war, and related purposes, financed by RFC borrowings from the U. S. Treasury from inception to June 30, 1947

Assets remaining for disposal:		
Defense plants and facilities.....	\$1,984,700,229	
Inventories of commodities.....	346,967,934	
Loans, advances, and receivables arising principally from trading activities.....	193,793,099	
Other assets.....	46,938,993	
		\$2,572,400,255
Assets transferred to other U. S. Government agencies without reimbursement:		
Declared surplus:		
Defense plants and facilities.....	\$4,597,579,682	
Commodities, equipment, and supplies.....	84,200,343	
		4,681,780,025
Commodities transferred to national stock pile.....	251,005,164	
Hotel Empire, San Francisco, transferred to Public Buildings Administration.....	2,137,869	
		4,935,013,058
Subsidies, operating and other losses:		
Direct subsidies.....	8,035,723,714	
Operating losses:		
Trading in commodities, principally strategic and critical materials.....	\$326,391,190	
Manufacturing and processing operations conducted by agents in plants owned by the Corporation.....	250,274,593	
Transportation and other miscellaneous activities.....	-125,013,295	
Preclusive trading abroad, including activities conducted jointly with United Kingdom Commercial Corporation.....	117,540,613	
Pacific Ocean area operations conducted by U. S. Commercial Company.....	-3,249,968	
		565,943,133
Losses on sales and retirements of defense plants.....	325,216,246	
Expenses incurred in connection with construction, leasing, and disposition of defense plants.....	175,892,696	
Cost of experimental plywood flying boat.....	18,247,963	
Interest expense on funds borrowed from the U. S. Treasury.....	352,798,105	
Administrative expense.....	110,356,611	
		4,584,178,468
Total.....		12,091,591,781
Less:		
Defense plants rentals.....	\$821,881,371	
Net proceeds of renegotiation settlements.....	83,936,935	
Fees collected by U. S. Commercial Company for services to the Department of the Army in connection with trade with occupied countries.....	2,573,288	
Miscellaneous income and expense (net).....	15,847,002	
Recoveries from funds appropriated to other U. S. Government agencies under agreements providing for full or partial reimbursement to RFC of the cost of—		
Defense plants and facilities.....	\$1,379,877,783	
Rubber sold for war use.....	340,856,239	
Alcohol sold for war use.....	72,000,000	
Petroleum feed stocks diverted to the aviation-gasoline program.....	44,580,257	
Other.....	16,302,375	
		1,853,616,654
		2,777,855,250
Net expenditures for national defense, war, and related purposes financed by RFC borrowings from the U. S. Treasury.....		9,313,736,531

NOTE.—The foregoing statement represents a tentative reclassification and resummation of the balances set forth in schedule 3 (pp. 17 and 18) of the Corporation's published report and financial statements of June 30, 1947.

So, while this is a startling amount, it is already included in the national debt, and the action in this bill is a bookkeeping operation, so that we may clean up and make new the RFC books in accordance with their new authority as it may become them after the Congress has acted on the present proposed extension.

In the case of the Institute of Inter-American Affairs, it was the general opinion of this committee 2 years ago and then again 1 year ago that they were in liquidation. We had no sooner passed the appropriation bill last year when they came to the Congress and asked for a 5-year extension. This was reduced by general agreement on the floor of the House to 3 years, and there was an understanding between certain leaders of the Committee on Foreign Affairs and myself that that 3 years was to allow a liquidation of current programs. We find that that was not entirely true, as so frequently is the case in various departments of government, that you do not know the whole truth in the beginning, and we find that they came up with requests for supplemental appro-

priations which were referred to this committee for \$3,848,500 for the institution of new programs, and we denied it. For 1949 they requested \$5,000,000. They had a carry-over of \$2,000,000. We gave them \$2,500,000, so that they can go on during the coming fiscal year with \$4,500,000, and we have appropriately cut proportionately their administrative expenses from \$980,000 to \$490,000.

In the case of the Federal Prison Industries there is not a great deal to be said. We allowed their request. We find it a rather well-managed affair and an old type of corporate activity on the part of the Government. They asked for \$267,000 for administrative expenses, and we granted it.

In the case of the Export-Import Bank they asked for \$800,000 for administrative expenses, and we granted the same request.

We find ourselves in this final result where the committee over and above any such suggested rescission of funds has rescinded capital funds plus \$90,775,000, the total rescission being \$165,000,000. In the case of appropriations and limita-

tions on administrative expenses the committee has made savings in excess of the prior fiscal year of \$19,523,800 and beneath, I should say, the proposed budget for the coming fiscal year of \$4,707,600. In the case of appropriated funds from the Treasury the committee has made savings in comparison with the 1948 appropriations of \$28,668,000, which is a very substantial percentage as compared to the appropriation request for the coming fiscal year 1949, the same being \$16,665,039.

I think in the main that is as near as I can come to briefing the situation as contained in this appropriation bill.

Mr. MAHON. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the personal relationships on this subcommittee have been most agreeable. It has been a pleasure to serve under the able chairmanship of the gentleman from Missouri [Mr. FLOESER]. He has sought to be fair and considerate of the minority members in all instances. However, to say that it has been a pleasure to serve under his chairmanship is not to say that I am in full accord with his views in respect to this bill and with respect to this report, because I am not. I think the bill could have been much improved, but, as everyone knows, legislation is a matter of compromise.

It has been found in our democracy that the Government can best function in some instances through the vehicle of Government corporations. There are those who have said on previous occasions that all Government corporations should be abolished, but when the Democratic Party was in power in the House it did not seek to abolish them, though it must be said for the Democratic administration that the Corporations Control Act was passed under a Democratic Congress. The Republican Party is now the majority party in the Congress, but it has not seen fit to abolish the Government corporations in wholesale; rather, it is in process of reincorporating these Government corporations. This vehicle is admittedly a useful vehicle of government.

The main item of controversy in this bill has to do with the Tennessee Valley Authority, one of the most amazing experiments ever undertaken in the history of the country. It was established before any of the present members of this subcommittee were Members of Congress. The question of whether or not there should ever have been a TVA is not a question for the House at present to decide, because the TVA is now an existing reality, and it has contributed immeasurably to the peace and happiness of millions of people. I shudder to think what might have happened to our country during World War II if this vast resource had not been at the disposal of the Government in connection with the great aircraft production program and the development of the atomic bomb.

The gentleman from Mississippi [Mr. WHITTEN] and the gentleman from Tennessee [Mr. GORE], both members of the subcommittee, live very much closer to

the TVA than I do, and they are more familiar with the details of the operation of the TVA and are more acquainted with the issues which are before the House today in connection with the TVA. Therefore, I shall not undertake to discuss the question at any great length. I do wish to say that I am unequivocally in favor of permitting the TVA to develop and operate along the best possible lines, and I do think that to prevent the construction of the proposed steam plant would be a step in the wrong direction, a step that could not possibly be justified. I shall join with others of my colleagues in doing everything in my power to secure the adoption by the House of the amendment which would provide for the beginning of the steam plant. I shall leave the discussion of other details to those who are more immediately associated with that part of the country.

Mr. Chairman, I represent a great agricultural district. Through the years I have been very much interested, as I know many of you have been, in the development of the Federal Land Bank System and other farm-credit organizations.

The farm-credit structure of this country is on a sound basis. Mind you, I am not in favor of discarding or abolishing private credit. I like to see private credit thrive and flourish in this country. Private credit is essential to the smooth and proper operation of our economy of free enterprise. I am not against private credit. But I do think in certain fields the Farm Credit Administration has performed a great service to the farmers of the country and to the Nation generally. I was rather disappointed that the majority placed in the report a statement which is critical of the Federal Land Banks' operation. I think, if you would leave it to the vote of the farmers of the Nation, regardless of politics or area, you would find that they would cast an overwhelming vote of confidence in the Federal Land Bank System and in the Farm Credit Administration. Farmers and ranchers do not want to see the system impaired. They feel it has been operated, generally speaking, on a very sound basis, and they would agree with me that the Governor of the Farm Credit Administration, Mr. Duggan, is doing an outstanding job in the position which he holds.

I take exception to a statement on pages 42 and 43 of the committee report on the bill. This statement deals with the repayment of capital to the Government by the Federal Land Bank of St. Paul, and criticizes the St. Paul bank for returning this Government capital. Congress has heretofore indicated a desire to see the Government corporations pay back Government capital.

It is stated in the report that the \$21,000,000 was borrowed from the Federal Farm Mortgage Corporation, a wholly owned Government corporation, and that such funds were obtained from the Treasury at an interest rate of 1 percent, which was below the then current rate of 1.77 for Treasury borrowings. The Treasury at that time was paying less than 1 percent for 1-year money. This loan was therefore at a higher rate than the cost of the money to the Government.

In another place it is stated that the Government still has \$21,000,000 invested in the Federal Land Bank of St. Paul. This statement does not recognize the difference between a loan and funds invested in capital. The \$21,000,000 borrowed as a loan is not invested in capital and the loan is secured 100 percent with consolidated Federal farm loan bonds.

I am much surprised that this action of the St. Paul bank should be criticized. The action of the bank should be applauded as an action in the interest of the taxpayer.

The bank pays interest on the money it now uses. The Government capital in the bank had drawn no interest. So, the action taken by the St. Paul bank in securing a loan to combine with other funds in paying off the Government capital is thoroughly sound from the standpoint of the best interest of the Government and the taxpayer.

The report contains the statement that on June 30, 1947, after the repayment of the Government capital, the St. Paul bank had capital and surplus of only \$22,700,000. I cannot understand why the word "only" was used, because for the St. Paul bank the ratio of capital and surplus to total assets is about 1 to 6, whereas, for commercial banks that are members of the Federal Reserve System, the ratio of capital and surplus to total assets is about 1 to 16. The language used carries the implication that the bank is in a relatively weak financial condition, whereas the opposite is true.

The whole result of the transaction was not to injure the position of the Government but to protect the Government's interests and to return the Government capital. The repayment and borrowings were made with the approval of the Treasury of the United States. All of the tangible benefits were received by the United States Treasury. These benefits consisted of the Treasury receiving the remainder of its capital investment in the St. Paul bank, and of the Federal Farm Mortgage Corporation, a wholly owned Government corporation, receiving interest on the loan.

The report further states that the Congress has lost all control over the land banks. The Federal Farm Loan Act provides for supervision of the land banks by public officials, including examination by auditors who are public officials who have the same general qualifications as national bank examiners.

I would say that the Production Credit Corporation will not be able to operate with adequate efficiency by reason of the reduction which was made in its operating funds for the Production Credit Corporation. I hope, however, that in that deduction I may be in error. I do feel at this time when we are seeking by every possible means to implement our foreign policy by our agricultural production, it is a mistake to do anything which will cripple the operation of the farm credit program of this country.

The gentleman from Missouri, the able chairman of the subcommittee, has made reference to the Institute of Inter-American Affairs. Over a period of years, beginning, I believe, in 1942, we have been carrying on in cooperation with the republics to the south of us in a program

wherein we work with those republics in connection with their agricultural programs, their educational programs, and their programs of health and sanitation. This has been a very worthwhile working relationship between our country and the countries to the south. It has brought on much friendship and understanding between our countries. In connection with our health program, scores of water systems throughout South America are being developed. American equipment is being used, and is paid for in cash by the beneficiaries. All the programs—health, education, agriculture—have been beneficial. They not only promote good will, they promote trade and industry. They are in our financial best interest.

Anything we do in this country to cement the feeling of good will which exists between us and the South American countries is in the public interest. Yet that program has been so drastically curtailed by the bill before us that it cannot be carried on efficiently in the future unless some changes are made in the present bill. It seems to me most unwise to place ourselves in that position.

We are spending \$5,300,000,000 on the so-called Marshall plan, which is principally a European recovery plan. We all admit that the program may not be as successful as we hope that it may be. It is a great experiment on the part of our Government for the purpose of undertaking to insure the freedom of democratic peoples and the stability of our own country, and the peace of the world. It is a very important objective. But the committee in the present bill was unwilling to spend only a few hundred thousand dollars, relatively speaking, to carry on this program in the Western Hemisphere, which has been operated in the past with such outstanding success, and which has possibilities for great future good. Of course, I know it is always possible to find mistakes in the administration of any program, and no doubt that would be true with respect to the workings of the Institute of Inter-American Affairs. But generally speaking the program has been a great success. It is such an important program that it should be carried on in a continuous way, and I regret to see the program curtailed by the legislation which is before us.

Mr. Chairman, I feel that it is most important for those who want to secure, in a minimum of time, vital statistics with respect to Government corporations, that they take a look at the report which has been prepared on this bill. As I say, I take exception to some of the conclusions that are drawn, but over all it is a very excellent report, and it contains material that is extremely valuable. It would be impossible to get the amount of material contained in this report from any other source without many hours and days of study and research.

In that connection I should like to say that Claude Hobbs, the able clerk of this subcommittee, has done an excellent job in cooperating with all members of the committee in connection with the work which has been done on this bill.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. CRAWFORD. What Government corporations come under this general program that are not listed in this report?

Mr. MAHON. I think they are all listed.

Mr. COUDERT. I think perhaps the gentleman refers to the Commodity Credit Corporation, which is carried in the Agriculture Department bill. I think there may be one other also.

Mr. MAHON. Yes. The Federal crop-insurance program, which is a program carried on through the vehicle of the Corporation, and the Commodity Credit Corporation are not covered in the bill before us. They are, however, referred to and described in the report which is before us.

Mr. CRAWFORD. Would the Virgin Islands Company be under that?

Mr. MAHON. As you know, under the Government Corporations Control Act, the Virgin Islands Company would expire under the law unless it is renewed. It has not yet been renewed, and that fact is recited in the report which is before us.

Mr. CRAWFORD. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. COUDERT. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I want to echo at the outset the remarks of my good friend from Texas about the personnel of this committee and the pleasant relations that have existed during the weeks of hard labor to which it has been subjected. I have the warmest regard for the three distinguished members of the minority and regret only that we were unable to convert them to our majority point of view on one or two matters of some importance. We hope that with time and education they will come to see the light and perhaps find themselves in accord with us.

But even more important than the membership of the committee—able, distinguished, and conscientious as the members are—even more important is the young man who acts as executive clerk of the committee, Claude Hobbs, without whose industry, intelligence, and conscientious work the operation of this committee would be almost impossible—at least, it would be a great deal harder and much more painful for the members—and the result would be much less satisfactory to other Members of Congress who have to read the report.

The chairman has asked me to develop in some detail the position of the subcommittee upon the subject of our only substantial difference of opinion in the committee—the subject of the steam-plant appropriation requested by TVA. Perhaps he asked me to do it because I am the only lawyer member of the majority, and the minority are almost all able members of the bar. So that so far as that phase of the division is concerned the minority has us 3 to 1, but we hope in the final count that that will be reversed.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. I yield.

Mr. EVINS. Would the gentleman go so far as to say that the three members are distinguished members of the bar and able lawyers?

Mr. COUDERT. That does not necessarily mean that I agree with them, even if I admit that, because lawyers were invented for the purpose of presenting differences of opinion.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield for a question?

Mr. COUDERT. I yield.

Mr. JOHNSON of California. Is the problem over this steam plant a legal problem or an economic problem?

Mr. COUDERT. It is both.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. COUDERT. I yield.

Mr. CRAWFORD. Would the gentleman go so far as to say it may be a social problem?

Mr. COUDERT. It is any kind of problem you choose to make it. It is a problem which is before this Congress at the present time.

Mr. RANKIN. I would like to know why the gentleman from Michigan says it is a social problem.

Mr. CRAWFORD. If the gentleman cares to yield I will answer but I do not want to take up the gentleman's time.

Mr. COUDERT. I suggest that if these gentlemen will permit me to complete my statement, there will be ample time during the remainder of the afternoon in which to present their views.

Mr. Chairman, curiously enough, we are really going to be presented here this afternoon with a spectacle that would test the case-hardened credulity of Believe-It-or-Not Ripley; it is simply an incredible position. The gentlemen in the minority and those who support them, if there be any, are in fact and beyond peradventure of a doubt defending only the right of multimillion and billion-dollar industries to receive the benefit of subsidized public power paid for by the overburdened taxpayers of my State of New York, and of every other State of the Union.

Now, that sounds like a rather startling statement. It is. If you will bear with me for a brief time I think I can show you that there is no alternative to that conclusion, to-wit: That any one who undertakes to support an amendment to provide for the construction of this steam plant is championing no one other than the Aluminum Co. of America, a billion-dollar corporation, the Tennessee Copper Co., the Monsanto Chemical Co., and numerous other great industries who alone stand to benefit in years to come from this proposed power plant.

Let me make that perfectly clear and tell you why that is an inescapable conclusion. As of today, only one-third of the total power generated and sold by TVA goes to that class of customers that Congress intended to serve—municipalities and cooperatives. Now, just get that—one-third of the total generated power is all that goes to this preferred

classification of customers. The balance goes to the great industrial users and to public utilities adjoining the valley area.

The Chairman of TVA testified before our committee and made it perfectly plain when he stated that if he did not have to carry or did not carry the industrial load, there would be sufficient power from existing installations to take care of the preferred municipal and cooperative customers for an indefinite and unlimited period. We can therefore say without any reservation whatsoever that the local municipal and cooperative users in the valley area have no interest whatsoever in this proposed steam plant. They are safe, they are taken care of as far as the eye or imagination can project itself. So that you only have the simple question, Shall TVA now start off with a brand new point of departure, step out of its heretofore existing role, and become for all purposes and without limitation of any kind or character a great public utility free to call upon the Treasury of the United States to construct unlimited plants in size, scope, and expense, to be paid for by the taxpayers of the United States for the purpose of subsidizing any great industry that chooses to settle in the valley and benefit by that cheap subsidized power.

Let us see how this works out. In January TVA announced—and that is the beginning of this whole controversy—that it wanted to begin a new program of additional generating capacity to meet the increasing power requirements of the Tennessee Valley area. Mr. Chairman, you will hear before this debate is concluded a great deal about firming up power. I believe that is all double-talk intended to obscure the issue. We had hours and days of testimony on that before our subcommittee. In truth and in fact it is clearly set forth in the TVA statement that it is for additional generating capacity and the only purpose for which that additional generating capacity is needed is to meet the prospective increasing needs of great industrial users.

What was the original purpose of TVA? Anyone who examines the act objectively and reads it from end to end cannot possibly escape the conclusion that the purpose of Congress in setting up this great agency was navigation control and flood control, and only incidental to those principal and constitutional purposes was any provision made for the generation and distribution and sale of electric power.

The first section of the act makes perfectly clear that those two, flood control and navigation, were the principal purposes. Then you come down to the operating section of the act which authorizes TVA to engage in the electrical business. Section 9 (A) provides that the Board is hereby directed in the operation of any dam or reservoir in its possession and control to regulate the stream flow primarily for the purpose of promoting navigation and control of floods. So far as may be consistent with such purposes the Board is authorized to provide and operate facilities for the generation of electric current at such dams for the use of the Corporation and for the use of the United States, or any

agency thereof, and the Board is further authorized whenever an opportunity is afforded to provide and operate facilities for the generation of electrical energy in order to avoid the waste of water, to transmit to market such power, and so forth, for the purpose of liquidating the cost or aid in the maintenance of the projects of the Authority. Water power runs all through that; electricity from water power and not steam power.

Then you come to section 10 which states that the Board is empowered and authorized to sell the surplus power not used in its operations for the operation of locks and other works generated by it to States, counties, municipalities, and so forth, and in the sale of such current by the Board it shall give preference to States, counties, municipalities, and co-operative organizations, citizens, or firms not organized or doing business for profit but primarily for the purpose of supplying electricity to its own citizens or members.

Now, in an exchange between the chairman of the Authority and the gentleman from Mississippi as to what the position would be if there were inadequate power to supply the needs of industries and those preferred customers, the chairman of TVA admitted without reservation that under the law the first obligation would lie toward those preferred classifications of local customers. So I think that as to that there will be no doubt and there will be no difference of opinion between Members of the House. For many years and until the year 1948 it was the accepted position of the Authority, speaking through its officials, that it was not a public utility for all purposes; that its right to produce and sell electricity was clearly limited to such energy as was produced as a byproduct of the construction and operation of flood-control and navigation facilities. My authority for that statement is not just this committee. The House does not have to rely upon the members of the committee for that, even if it were satisfied to do so. The House has only to turn to the word of David Lilienthal, for a long period chairman of that Authority and only recently leaving it to go to the Atomic Energy Commission.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. COUDERT. Mr. Chairman, I yield myself 10 additional minutes.

I do not believe any Member of the House is going to suggest that Mr. Lilienthal will be charged or can be charged with taking a narrow view of the obligations, opportunities, and rights of the Tennessee Valley Authority. Certainly he would not be suspected of being a reactionary about it.

Let us see what Mr. Lilienthal had to say on this subject before a joint committee of Congress in 1938. He was being examined about the disposition of power and the contracts that had been made with some of the great industrial companies, including the Aluminum Co. of America:

Yet it is a part of our job to dispose of all this power not 20 or 30 years from now, but as soon as possible and, so far as possible, every year during the life of the plants.

That means that some method must be found of disposing of power for relatively short periods—

Get this—

pending the growth of load by our municipal and cooperative customers. The only solution is sale to industrial and utility customers, that we have been able to devise. * * *

We have been successful in so staggering our contracts that I believe we have in large part solved the problem of reserving power for the growth of our municipal and cooperative customers without presently wasting the power so reserved. I hope that is clear. * * *

And I think, and I think most people feel it was remarkably good fortune that they succeeded so well in handling this very difficult situation of getting revenues as we go along and yet having blocks of power that we can cut off in the years to come to take care of the priority customers' increased needs in the future. * * * Now, with a utility this situation of having to be ready to supply an increased demand by existing customers under a long-term contract presents no problem, no serious problem, because it simply constructs additional plants as they may be needed from time to time.

* * * With the Authority the situation is different, and the problem is acute. Generally speaking, we build our dams when and as required for the purposes of navigation and flood control, and not as market conditions for the power may dictate, and also subject to the general policies of the country with respect to public works for unemployment relief purposes.

It is quite apparent from the remarks of Mr. Lilienthal that he did not recognize an unlimited obligation to meet all the demands of all of the power users in the valley, industrial as well as municipal and cooperative. Yet today that is precisely the position the officials of TVA are taking. They are squarely reversing the position taken by Mr. Lilienthal at that time and they are saying in effect today, "We must meet any and all demands for the production of power, whether it be hydroelectric power produced incidental to the dam operation or whether it be steam power produced by steam plants having no relation whatsoever to navigation or flood control." That is the radical reversal of opinion that presents this very important question to the Congress. If this steam plant is appropriated for it will set a precedent and have far-reaching consequences, to the end that henceforth every time the TVA finds its demand, industrial as well as cooperative, increasing, it will feel entitled to call upon Congress to provide the money for unlimited new facilities, 1 steam plant today, 2 steam plants next year, 10 steam plants 5 years from now.

The chairman of the TVA apparently realizing that his position was not entirely secure and that it certainly was not secure at all while resting only upon the foundation of the initial enabling act, sought to draw comfort from the 1939 authorization of \$50,000,000 to purchase the properties of the Commonwealth and Southern in that area. He said:

That certainly was recognition that the TVA power system was to take on the responsibilities of supplying that region, including the industrial customers.

Unfortunately for the chairman of TVA, however, his conclusion was not at

all in conformity with the conclusion of the Senate committee which reported and recommended the passage of that bill. Said the Senate committee:

The purchase of the properties involved in this tentative sale would bring to the municipalities of a large section of Tennessee Valley the cheap electric rates of the TVA and thus save the citizens of more than 100 municipalities millions of dollars in the purchase price of electric current.

The Senate committee stuck to the original concept of the initial enabling act and held in its report that the purpose of TVA electric power was to supply cheap electric power to the municipalities and cooperatives which TVA is today in a position to do, and for an indefinite period.

Lest I overlook it, let me call the attention of the House to the fact that this bill, far from cutting down TVA or crippling it, carries \$29,000,000 for the construction of additional generating and distribution facilities—11 hydro generators which would produce some four hundred thousand kilowatts. In addition to that TVA will shortly take over the distribution of power produced by the dams on the Cumberland River, built by the Corps of Engineers. So that in addition to existing power production of TVA, some six hundred thousands kilowatts of new power will shortly come into existence out of authorized water turbine generators, which is constitutional and proper and in conformity with the whole purpose of the original TVA act.

This question has never been decided by the Supreme Court of the United States. One reason that it has never been decided by the Court is because the TVA never took it there. In the only case, or at least the leading case on various other aspects of the TVA, the counsel of the TVA and the Solicitor General of the United States without reservation unconditionally denied any assertion of the right to operate or build steam plants.

On page 16 of the committee report appear the statement of the Solicitor General and a very interesting colloquy between counsel. Let me read it to you.

Mr. JUSTICE McREYNOLDS. Is there a steam plant in connection with this project?

Mr. O'BRIAN. Yes, Your Honor. That was mentioned earlier. There is a large steam plant which was built at Muscle Shoals before the dam was built.

Mr. JUSTICE McREYNOLDS. For what purpose?

Mr. O'BRIAN. For the purpose of equipping the war munitions plant immediately as quickly as possible with power.

Mr. JUSTICE McREYNOLDS. Is that used to generate electricity?

Mr. O'BRIAN. No, sir; it has never been used. It stands idle. Much is made in my opponents' brief of the danger of the Government selling power from the steam plant. That steam plant is not in this case. It has never been used. It has been maintained. It has been leased to the Alabama Power Co., which has used it as a stand-by facility with which to meet break-downs in its service. There is nothing in this record to show that the Authority ever intends to use it for the purpose of generating power for sale, and I disavow any such intention at this time.

Mr. JUSTICE BUTLER. I know; but you assert the power; do you not?

Mr. O'BRIAN. No; I do not.

Mr. JUSTICE BUTLER. Do you say that to aid in disposing of the electricity, incidentally produced from this navigation dam, the Congress has no power under the Constitution to build stand-by plants to supply their customers, to keep the current going?

Mr. O'BRIEN. If you mean break-down facilities, yes; it could. It would have to. Any regulated system would have that.

Mr. JUSTICE BUTLER. And then to meet great demands upon the peak?

Mr. O'BRIEN. No; I do not think that could be done in this case.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. COUDERT. Mr. Chairman, I yield myself 10 additional minutes.

Mr. Justice Reed, presently sitting on the Court, was Solicitor General at that time, appearing for the United States. What did he say? Quoting Mr. Justice Reed:

From the bench and at the bar this controversy has come down to a question of this kind, if we assume that this act was primarily for navigation, then it would be valid. If we determine that this act, while stating that it is for navigation, national defense and flood control, is actually for the purpose of developing power and selling it commercially, the act would be invalid.

That is precisely the position that the present officials of TVA have taken, that they are in the business, first, last, and always, of producing power, no matter how such power may be produced, and without any regard whatsoever to navigation or flood control.

That presents to this Congress two very important questions. First, as to what really was the legislative intent inherent in the original Enabling Act. Second, it presents a major constitutional question: Has the United States, under the Constitution, the right to undertake to supply power commercially, as a primary function, to any particular group of citizens within the United States at the expense of all of the taxpayers of the United States, and not as a byproduct of a clearly constitutional function.

A majority of your committee took the position that this was not a question that should be decided in necessarily summary hearings in an appropriations subcommittee; that it was of such far-reaching importance and scope that it should be determined in orderly fashion by a legislative committee of this House, with full opportunity for hearings and full consideration of all the issues involved. The committee does not undertake to decide the question; the committee merely takes the view that orderly procedure on the merits requires that this important question be decided in orderly fashion after hearings by a legislative committee and proper debate thereon.

The majority members of the committee are not opposed to TVA. We have given TVA everything it asked for. We have given them \$15,000,000 to complete its dams; we have approved the \$29,000,000 for new generating facilities; we have made it possible for TVA to increase its hydroelectric-power production by an enormous amount.

And a final word, Mr. Chairman: The preferred class of customers—the municipalities and co-ops have no need for

this steam plant because there is power enough of hydroelectric variety to supply them as far as we can see. But the question is whether Congress should appropriate the people's money to supply in perpetuity cheap subsidized power for great industries well able to build their own steam plants and to otherwise furnish their own power. This is the question that the committee feels should be carefully considered and acted upon by the proper legislative committee and as decided in this bill.

One more word:

It is recognized that the Authority possesses and operates steam plants at the present time. However, such plants have been acquired or constructed under special conditions and circumstances having no bearing upon the present budget request.

The only plant built by TVA was built pursuant to Joint Resolution 95, Seventy-sixth Congress.

That appropriation, by terms of the resolution, was made "for the Tennessee Valley Authority . . . to provide facilities to expedite the national defense."

In order that there should be no ambiguity as to the intent of that joint resolution, the committee report thereon, on page 2, contains the following unequivocal statement:

"There should not be any confusion in the public mind with respect to this proposal for the Tennessee Valley Authority. Irrespective of the present or past views of anyone with respect to the governmental policy involved in the Tennessee Valley Authority Act or the operations thereunder, this appropriation should be viewed and adjudged solely by its present bearing upon the national-defense program."

Mr. Chairman, I yield back the balance of my time and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. The gentleman from New York yields back 2 minutes.

Mr. MAHON. Mr. Chairman, I yield 25 minutes to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, any discussion of the bill now before us will, of course, naturally come down to the difference of views that have been evident here this afternoon between the majority and the minority members of this committee on this proposed steam plant for the TVA.

This bill covers quite a number of Government corporations. With regard to most of these corporations the bill has to do with limiting the amount of administrative expenses. We do not have the great amount of money involved here that we have in the average appropriation bill where we appropriate for the activities of the department involved. Here, in most cases, we are limited to expense money covering administrative expenses and for that reason the degree of latitude is not wide. Many of the items of this bill do not accord with my own views or those of all the other members of the committee, but we have tried to work out those differences and have done so to the point that I think will permit these various Government operations to function.

As I stated, the chief difference in our committee had to do with the so-called steam plant for the Tennessee Valley Authority. There have been discussions of the TVA Authority to build a steam

plant, the need for the steam plant, and then the obligation of the TVA to provide electricity for everybody by the construction of a steam plant if necessary to meet the needs. At the time we had our hearings the various public utilities of the area had their witnesses before the committee on the basis that they had an interest in that provision of the bill providing a steam plant in the Tennessee Valley area. I certainly agree they had a right to appear before the committee and relate to the committee any interest they had or might have in connection with the steam plant. They submitted to the committee—and I happen to be a lawyer, as are most of the other members of the committee—a rather lengthy brief going into the legal proposition of whether there is authority to construct a steam plant. I insisted that TVA likewise be permitted to submit its legal brief. That was done. As I say, I am a lawyer, and other members of the committee are lawyers. It would take actually a lot of detailed and very extensive study on the part of any lawyer to follow the various lines of authority laid down in these two briefs.

Any discussion that may have been had on the other side or on my own side is based on not as thorough a study of those two lines of authority as might be, but, again, this is a question that I dare say the Supreme Court would spend a whole lot of time and study on. Needless to say, I cannot see where there is any serious problem involved here, not as a result of these legal briefs but as a result of the action of the Congress which has gone uncontested throughout the years.

When the TVA was first set up, the first dam that was turned over to them was Wilson Dam, and at the time Wilson Dam was turned over there was also turned over a steam plant which had been used in connection with the water power. The Tennessee Valley Authority in 1939 was authorized to build a steam plant. It built a steam plant and operated a steam plant; in fact, they operate five steam plants today during the dry seasons. So there is nothing new in this proposition to provide a steam plant and it has gone uncontested throughout the years. True, it is, someone says, that in 1939 the seriousness of our national defense situation entered into the proposition and for that reason there was no question but what the Government had a right to provide for the steam plant.

If that be a basis for authority I call attention to the fact that today there is the same basis for permitting a steam plant. The war has not been officially declared at an end. In the press today we read where they are calling on the Congress to reenact the draft act and to pass an act providing for universal military training. We read also in the press where the Army is planning to build supersonic facilities which will require some 500,000 kilowatt-hours of electricity per year. We learn, too, that the Senate has passed a bill authorizing an appropriation for a 70-group Air Force which will require airplanes, which airplanes will require aluminum. The aluminum will largely be made in the Tennessee Valley area if electricity is

available—and it is not available anywhere else. So we may take it that the national situation is somewhat serious, I certainly think either it is serious or else we are being misled today by the press, by our own Army and Navy leaders, and by our own President. The situation is sufficiently serious to bring the matter on the same basis as in 1939, which incidentally was a year and a half before we were at war and at a time when we said we were going to have peace and we hoped we would have peace.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from California.

Mr. JOHNSON of California. As I understand it, the development of electricity is a byproduct of the activity of controlling the streams for flood control. Is there anything in the law that would prevent us from doing anything that we can to increase the value of byproduct thereby making the electricity pay back the original investment in the entire project? Is there anything wrong in that in principle that the gentleman can see?

Mr. WHITTEN. There is not. You know, when you read an act you can always underscore anything. Very frequently those on one side or the other underscore that which seems to justify their position. But the limitation, as I see it, with regard to the generation of electricity in the Tennessee Valley is this: The TVA must keep the reservoirs sufficiently full of water for navigation. They must keep them sufficiently empty to provide reservoir space for flood control; then it is provided that you must generate electricity to the maximum extent necessary to prevent waste of water power. We have that direction in the TVA Act itself.

I cannot agree with statements that electricity is a byproduct. It is a product that must come within the two limitations. The water must be kept high enough for one, low enough for the other, the power must be generated in between; however you will find throughout the act the direction to generate the maximum amount of water power to prevent waste.

The committee recognized that requirement, because funds are provided in this bill for the installation of generators, the building of dams, and authorizing the TVA to carry out the mandate of the Congress of the United States in the TVA Act to manufacture the greatest amount of water power within these two limitations favoring flood control and navigation.

Now, when they carry out that mandate we find another requirement. We find in the act it is provided that this electricity shall be sold. It does not say that they are limited to municipalities and farmer cooperatives. I think wisely the writers of this act provided that they should have the first priority, and I think that is as it should be. But the act provides any electricity not needed for the priority customers shall be sold to commercial interests and users and distributors for profit. So it is recognized in the TVA Act that the Government is interested in the TVA and in the \$440,000,000 that we have invested in the building of the power end of the TVA,

and in self-liquidating of that \$440,000,000. It was recognized when the act was passed and the chairman and the members of this committee, of which I am a member, recognized last year that the Government had a financial interest in the TVA and its income because the bill that passed the Congress last year provided for what was called repayment. Now, I do not think it is a repayment. The TVA belongs to the Federal Government. Its earnings belong to the Federal Government, and whether you let the money stay in the banks to the credit of TVA or whether you draw it out, it still belongs to the Federal Government. I do not oppose that provision for so-called repayment. I think it is all right to withdraw funds from any agency whenever those funds are not needed for the proper operation of the agency or corporation.

Now let me say something about electricity.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. The preamble of the act in 1933 provided for the generation of hydroelectric power for industrial uses, and stated that in the act.

Mr. WHITTEN. Certainly it does. Of course, you know a lot of chambers of commerce throughout the United States have been led to believe that the TVA is responsible for the growth of industry throughout the South and other regions. This industrial development is not limited to the TVA area. It is not limited to that area by any manner or means. It has been rather widespread throughout the United States, and I will say that it is not a detriment to the rest of the United States, because for the first time in history we provide a great market for the products that are grown in other areas of the United States. We have more for ourselves and we spend more with them than ever before in history.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Mississippi.

Mr. RANKIN. I am a coauthor of the bill creating the Tennessee Valley Authority. We had a good deal of wrangling over that provision the gentleman refers to about the generation of power. At that time there was some doubt whether or not the Federal Government had a right to develop the power in these streams. But the Ashwander case, the two dissenting Judges which were quoted by the gentleman from New York, decided that we did have the right, and then later the Appalachian Power case was decided by the Supreme Court which was to the effect that the Federal Government not only owns the hydroelectric power in our navigable streams but also in all their tributaries.

Mr. WHITTEN. I appreciate the contribution of the gentleman. I think the whole country recognizes the contribution he has made to TVA and REA as well.

Mr. RANKIN. Let me call attention to something that has been overlooked by the gentleman from New York.

When the Muscle Shoals Dam was first built the Government built a great stand-by plant down at Gorgas, Ala., which was later sold by the Secretary of War, Mr. Weeks, without the consent of Congress, and the then President approved it. But, that stand-by plant was built at that time in order to firm up the power to be developed at Muscle Shoals when the dam was finished.

Mr. WHITTEN. Now the gentleman from New York—and I might say whom there is no finer gentleman in the Congress and none whom I enjoy working with more, and I can say that for the other Republican members of the committee—

Mr. RANKIN. I want to endorse that statement also.

Mr. WHITTEN. The gentleman has made the statement if this power generated down in that region is not sufficient to meet the needs of the many industries of the region the Congress will be called on to provide more and more and more electricity. If this is the only public utility in the area, and it is, and if the public down there must look to the Tennessee Valley for its power, and it must, I trust and hope that this Congress in future years will provide additional electricity when it is required for the people of that area. If you will not do that the only thing to do is to do as some people would do, turn this area over to some private utility, because certainly you could not draw a line and say to this region, or any other region, "You have reached the maximum of your development, and we are putting a stop order on you, and we are doing it today." Certainly, I do not think the gentleman subscribes to any such belief, and I think he will recognize that if the Tennessee Valley is the public utility of that region it should be permitted to meet the needs of that region for electricity, just as the private utilities in other regions have the right to provide electricity, and the duty to do so. I may say that the private utilities are trying to meet that duty and obligation, because all of them have in orders for additional generating facilities. I was told before this committee by one of their witnesses that the private companies now have on order something like 6,000,000,000 kilowatt-hours of generating equipment.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. I call the attention of the gentleman to the fact that the private utilities expect to spend \$5,000,000,000 within the next 5 years on an expansion program, and also the technical advice is that they are going to firm up their power with steam generation to the tune of approximately 25 percent, to keep that firm power flowing to their consumers.

Mr. WHITTEN. I thank the gentleman. I know of his untiring interest in the TVA in that region and his untiring efforts to help here in this fight.

Mr. RANKIN. If the gentleman will yield further, I note the Governor of New York and a large number of other leaders in New York are advocating the development of St. Lawrence water power

projects in order to relieve the people of that great northeastern country. If they should, it will be absolutely necessary for them to build some kind of a stand-by plant in order to firm the power up and keep it at its peak.

Mr. WHITTEN. In considering the steam plant we can think of this as the fact: When the Wilson Dam was taken over by the TVA it included the steam plant. During the years of the TVA operation they have operated the steam plant. In 1939 they built a steam plant, and they have operated that steam plant since then. They operate five steam plants today. So it is pretty hard to realize or recognize or think that there is any serious question about their authority to do that, when they have done it for many years, and where, as far as I know, the question has not been raised directly; and where it has come up in connection with other questions, I do not know of a single instance in which the court has intimated that they could not operate a steam plant.

Let us see about the why of the steam plant: As stated, the Tennessee Valley Authority is the sole supplier of electricity to a region comprising parts of seven States. Over 5,000,000 people are dependent upon the Tennessee Valley Authority to supply them with electricity. They generate that electricity from this water power within the limitations which I have mentioned. Anyone knows that water power is available to a much greater extent during a part of the year than it is during the dry season of the year. The Tennessee Valley Authority has other limitations which make it extremely difficult to have an even flow through their dams and through their turbines all the year. If the water gets high enough in their lake to jeopardize having a sufficient reservoir for flood control, they have to turn it out. On the other hand, if the water gets low enough to jeopardize navigation, they have to cut the flow off. So the water power generated in the Tennessee Valley Authority has two limitations on it that do not exist in most areas where you have water power generators. This makes it highly important in the dry season of the year to make the water power that they can generate through a big part of the year firm so that you can sell it and the fellow who buys it can depend on it on a year around basis.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield further?

Mr. WHITTEN. I yield.

Mr. JONES of Alabama. This situation developed last November and December in the low water period, and therefore one of the big producers of aluminum had to cut down three pot lines, due to the fact that it could not get sufficient power to keep it in operation.

Mr. WHITTEN. I thank the gentleman. It has been recognized by practically all hydroelectric set-ups, including the TVA, that steam power to meet your need in this period of dry weather is highly important. A man who buys electricity wants to know that he can depend on it, just as you would not want to take electricity where they might cut it off or where they might call you up and say that the load is too heavy and that

you would have to go to bed because your house would be in darkness. That goes throughout the business world and applies to a great number of consumers of electricity. They want a dependable product. They will pay more for a dependable product than for something that will be up today and down tomorrow, where they might operate one week and have to close down next week. Recognizing that, the TVA throughout the years has operated five steam plants to firm up this power in the dry period of the year. That has been recognized. The testimony in this record, and it is uncontradicted, is that they generated by steam last year 1,000,000,000 kilowatt-hours of electricity. You may say that that is enough steam-power generation. But the testimony further shows that they sold between 14,000,000,000 and 15,000,000,000 kilowatt-hours of electricity, firm, dependable power, whereas in the absence of this 1,000,000,000 hours of steam-generated electricity they would have been able to sell only 9,000,000,000 kilowatt-hours of firm water-power electricity. Thus, by having 1,000,000,000 kilowatt-hours of steam-generated electricity last year they were able to sell from three to four billion kilowatt-hours of water-power-generated electricity as firm power which they otherwise would not have had to sell and the Government would not have had the profits from it, and, more important, the country would not have had the advantage of the use of that power.

I have before me a report from the Federal Power Commission in which they call attention to the seriousness of the situation facing us in the supply of electricity. A few weeks ago we had less than two-tenths of 1 percent of leeway between the electricity used in this country and that which could be made available. That is a safety margin of only two-tenths of 1 percent.

I would like to call your attention to a factual story appearing in Collier's magazine of a short time ago pointing out that in certain parts of Maine the streets were dark, that in certain parts of California the water supply was being affected, that the Dow Chemical Co. had to lay off some of its employees all because of the shortage of electricity.

We find that in certain other areas, they are borrowing ships from the Navy and the Army. This story was written long before this fight started. The story calls attention to the seriousness of the situation. We find in certain other areas that private suppliers of power are having to call on the people who buy from them to please conserve electricity. In Portland, Maine, electricity is being generated by a ship in order to relieve the situation. The Pacific Gas & Electric Co., one of the Nation's biggest power systems, is buying electricity from other places, and anywhere that they can find an extra kilowatt-hour of current. Some of it is being purchased from the Navy at Mare Island.

Restaurants, hotels, and department-store owners have been requested to cut down their cooling equipment for part of the day in parts of Texas.

The Union Electric Co. of St. Louis offers hints on how to save electricity.

A power company in California asks its customers to save every extra kilowatt of power, but asks for more of the same.

So we have a situation in this country that is critical and very serious. We have reached the point where we need all the electricity that it is possible to manufacture. The testimony shows that if the TVA gets this money, that a billion kilowatt-hours more of electricity will be made available. It is true that the gentlemen on this side may say it will be 1951 before this steam plant will be available. That is true, but it will be that time before the other agency facilities will be available to a large extent. Certainly, if we are going to give to the TVA this additional water power in a time of great national need, whether you want to charge it to national defense or against the electricity that goes to that farm home that you hear so much about, certainly there is every reason in the world to give them a little steam, if, by so doing, you can make three times as much water power available in a time when we have less than two-tenths of 1 percent degree of safety facing us today.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. COUDERT. Is there any reason why the taxpayers of the city of New York should subsidize the Aluminum Co. of America?

Mr. WHITTEN. There is no reason at all. I am glad the gentleman raised that point because I wanted to answer him on that and it had escaped my attention. If you have firm power, that is, water power for a big part of the year, and steam power to carry it on during the dry season, you can sell it to a buyer who must have dependable power. If it is not firm power, you have got to sell it to somebody like the Aluminum Co. of America that can operate when the power is there and can shut down and cut off when it is not there. During the war that is the way the Aluminum Co. operated in many instances. They operated when the Government told them they could and they closed down when they said the power load was too great. So the point I make is this: If you do not want the surplus sold to the Aluminum Co., and their kind, firm up the power and it can be purchased by others who do not have to have it at a low rate, which the Aluminum Co. always must have in order to make aluminum at a price for which you can purchase it.

Mr. COUDERT. The fact still remains, does it not, that the taxpayers of New York have been and will continue to subsidize the Aluminum Co. of America?

Mr. WHITTEN. Well, I do not know. It is six of one and half a dozen of the other. Up until the present time practically the entire output has gone into the manufacture of airplanes. I do not know whether it will pay us to pay more for the aluminum or contribute a little bit for the generation of electricity. But my understanding of it is that last year we provided that our own agency, the TVA, shall pay back into the Treasury the money that we put into it. This bill provides for a continuation of that policy.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. WHITTEN] has expired.

Mr. WHITTEN. Mr. Chairman, I yield myself five additional minutes.

Mr. COUDERT. Will the gentleman yield for a further question?

Mr. WHITTEN. I yield.

Mr. COUDERT. I would like to answer the observation of the other gentleman from Mississippi [Mr. RANKIN] in his reference to the Ashwander case. The Ashwander decision does not touch this question in any way, shape or form, except to emphasize the position taken by the majority here; to wit, that the only power concerned is the power directly produced by water. The language of Mr. Justice Hughes is:

The Government is disposing of the energy itself which is simply mechanical energy incidental to falling water at the dam, converted into electric energy which is susceptible of transmission.

The steam-plant business does not come into that decision at all, and one reason for that was the fact that the TVA counsel and the Solicitor General, as indicated in our report and my remarks, withdrew the question from the Court and asserted that they had no such right.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. RANKIN. I suppose I am the only man in Congress who heard Chief Justice Hughes render that great opinion. He said exactly what I said he did, that this water power belonged to the Federal Government.

Mr. COUDERT. Right.

Mr. RANKIN. And that it had a right to use it. The Appalachian Power case came along later and they said not only that but that the Federal Government owned the power in all the tributaries of our navigable streams. Now, the gentleman from New York [Mr. COUDERT] keeps saying we are subsidizing it. It is not costing the people of New York one penny, and it never will. This power is being produced and sold at a profit that will pay every dollar that is invested in the TVA and every dollar invested in this stand-by plant.

Mr. COUDERT. I am glad the gentleman is so optimistic.

Mr. RANKIN. I will get some time later and tell you what you pessimists said 15 years ago.

Mr. COUDERT. The TVA came in with its budget request, with a \$70,000,000 gross income, and offered to pay \$60,000 to the taxpayers of the United States.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. JOHNSON of California. As the gentleman pointed out, all the power there comes out of the water. This money for stand-by plants is only to get more power out of the water to the customers. It is just the same sort of thing as buying a new turbine or a new piece of machinery to get more juice out of that running river.

Mr. WHITTEN. That is right; and, as the gentleman says, if you will read the act, you will see that the people who

wrote it—the Congress which passed it—intended the maximum amount of power to be generated and that it be sold on a business basis so it would meet the needs of the American people.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. COUDERT. Just so that we see quite clearly the issue between us, does the gentleman recognize any limit to the number of steam plants that TVA can construct under the existing law for the purpose of generating power?

Mr. WHITTEN. I would say that if the gentleman—and I do not believe he is going to be governed in his vote by my feelings in this matter—I had my chance to argue with him in the committee and while he listened with patience, he stuck to his original opinion, but I will say that if my opinion should govern or rule in this case it would be immensely pleasing to me—if TVA is to be the sole public utility of a great region I say this Congress must permit it to assume the same obligation that any other utility must assume in other localities. That is it should meet the need of the region for firm power. The TVA Act says that the Authority shall generate the maximum amount of water power and it would follow that up to the point that it would make it most useful you should have enough steam plants to firm it up during the dry season of the year. That is my view.

Mr. COUDERT. The gentleman, in other words, takes the view now that Mr. Clapp, the Chairman of the TVA is taking, and that Mr. Lillenthal repudiated before Congress several years ago, to wit: The TVA is a great utility; that, therefore, its primary purpose is the commercial production and sale of electricity, and, therefore, it is a great utility monopoly in the Tennessee Valley area.

Mr. WHITTEN. There is no question but what the TVA is a large utility and the sole utility for parts of seven States, 80,000 square miles of territory and 5,000,000 people.

The CHAIRMAN. The time of the gentleman from Mississippi has again expired.

Mr. WHITTEN. Mr. Chairman, I yield myself five additional minutes.

Answering the gentleman from New York, I say: When this Congress passed the act that authorized the TVA to buy out the Commonwealth & Southern you provided then by law that the Tennessee Valley Authority was the public utility and the only one in this area. The people in this area are dependent upon it. You will find that in every other area of the United States the private utility companies are trying to expand their facilities to meet the needs of the people, just as TVA is trying to do it here. You are saying to people in every other region in the United States that there is no limit, that the private companies have the right to enlarge. But you are saying to the TVA that in their region alone you are going to take away their right to expand to meet the demand for power in their area.

It is time that you stopped, looked, and listened. As I said before, the sup-

ply of electricity in this whole country is dangerously low. We hear a great deal of talk about this 70-group air force and the people sit back and take their ease and think they are secure. But remember that 70-group air force exists only on paper. It will take planes and planes will take aluminum and I venture to say that when you want that aluminum you are coming to the Tennessee Valley area to get it.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. In just a minute.

The TVA is integrated with private power companies, and if by the generation of steam electricity you can make available a whole lot of dependable water power, as you can here, to a country that needs it you can make it so that the power can be used by the other power companies in that region—and there is not one of them that does not need it, and they say—and it is in this record—that they would be glad to have it.

It is said that you ought to let the power companies firm this up. They cannot get enough equipment to have any surplus to firm up this water power. But if they could, the record shows that they can make \$2,000,000 clear profit by firming up this power, selling it at firm rates, buying at dump rates. If you are going to back up the majority of our committee and our efforts to allow the TVA to pay for itself even though it will still belong to us, you do not want to pass up a chance where by building a steam plant you can make an additional \$2,000,000 a year profit, thereby liquidate the Government's investment in this plant at an early date.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Missouri.

Mr. PLOESER. If the private power companies cannot get the equipment to build steam plants, does the gentleman think a municipally owned unit can get the equipment?

Mr. WHITTEN. It is doubtful if any of them are going to get half enough.

Mr. PLOESER. The gentleman did say that the power companies could not get the equipment. If that is true, then TVA cannot get the equipment either.

Mr. WHITTEN. If it comes to a choice of whether it is better to have this one steam plant used by TVA, which has available this water power that will be multiplied by firming up during the dry season, or to provide a steam plant for one of the private companies, I say it is better for TVA to use the steam plant in this time of emergency where by its use additional water power is made dependable. The demand on the power companies is so great that they will be required to use any plants they get the year around to meet their own needs and they will have no surplus plant to use in the summer to firm up this hydro power of the TVA.

Mr. PLOESER. Does the gentleman know of any place in the Tennessee Valley Authority Act where the Congress has decreed it shall be the controlling monopoly power utility in that area?

Mr. WHITTEN. When we permitted the TVA to purchase all other competing

power manufacturers in that area, we recognized it is a monopoly and that it is the only supplier of electricity in that valley. That is the situation today.

Mr. PLOESER. The purchase did not preclude anyone from building a power plant down there, did it?

Mr. WHITTEN. No, it does not preclude them, as a matter of law, but, as a matter of fact it has.

Mr. PLOESER. The TVA in its contracts with these municipalities sought to inject itself as a monopoly proposition in the contracts it made with the municipal authorities?

Mr. WHITTEN. That is because we had some folks on the Appropriations Committee and in the Congress of the United States, and rightly so, who demanded that they operate on a sound business basis.

Mr. PLOESER. Does the gentleman think this is being operated on a sound business basis?

Mr. WHITTEN. The utility business is practically a monopoly. It is controlled by the various rate boards in the States. It has always been a monopoly in this country, and I think it has got to continue that way, else you will have duplication of lines, you will have duplication of facilities, and you will have a tremendously high cost. So we all recognize it can best be run as a monopoly.

With regard to the question raised by the chairman of the subcommittee that it required a municipality to buy all of their current from them, may I ask: Why should they put up a \$100,000 transformer to supply a given town current if the town is going to turn right around and not buy current from them? If that occurred, I would be the second one on this committee to give them the devil, because I think the chairman of the subcommittee, the gentleman from Missouri, would be the first.

Mr. PLOESER. Mr. Chairman, I yield such time as he may desire to the gentleman from Oregon [Mr. ANGELL].

NATIONAL RESOURCE DEVELOPMENT IS THE KEY TO OUR PROSPERITY AND NATIONAL DEFENSE

Mr. ANGELL. Mr. Chairman, I deem it apropos in the consideration of this bill providing funds for Government corporations to discuss the over-all subject of natural resource development in the United States. I am sure that many of us charged with the responsibilities of protecting the well-being of our Nation here in the Congress are deeply concerned over the apparent misunderstanding of some of our colleagues in the necessity of providing a long-range program for the conservation, development, and full use of our natural resources within the confines of our own United States. We have spent billions of American tax dollars in foreign lands for aid and rehabilitation of war-torn countries and we are now considering a program of large expenditures for expanding our national defense program. It should not be overlooked that if we are to maintain the front rank which we occupy economically and as a preserver of world peace, we must not overlook the fact that our success will depend upon the full expansion and utilization of our own resources. Foremost among these

are the great water resources of the country which not only make available millions of fertile acres to produce food stuffs, but which also provide arteries of commerce so essential to our industry and furnish hydroelectric power without which the wheels of industry would not move and the defense of our country would come to a sudden halt.

The authorized river and harbor construction program includes 200 projects on which work has been undertaken although not fully completed, and 76 authorized new river and harbor projects for which no funds have been appropriated by Congress. The latest estimated cost for completing the construction of these improvements is \$1,830,000,000. Included among the projects that have been initiated is the McNary lock and Dam on the Columbia River, now in an early stage of construction, and the project for improvement of the Snake River, which is in the advanced-planning stage of development.

At the present time there are some 1,200 river and harbor projects now actively in force. The construction activity in connection with these projects includes the maintenance of channels and harbor areas, channel control works, breakwater work, snagging and the operation and care of facilities which have been provided in the interest of navigation.

Since April 6, 1802, when an appropriation of \$30,000 was made for piers in the Delaware River by the Corps of Engineers, the total funds appropriated through the fiscal year 1948 for river and harbor projects in the continental United States, Alaska, Puerto Rico, and the Hawaiian Islands, amounted to \$3,370,000,000.

As you know, the Federal Government has jurisdiction over the improvement and control of navigable waterways by reason of the commerce clause in the Constitution. Under this authority the Government has constructed many multiple-purpose projects, not only for navigation but also for flood control, reclamation, and hydroelectric power. Hydroelectric power is a most important factor in the program by reason of the fact that it brings into the Federal Government revenues from such projects which not only reimburse the Government for the cost of the power facilities, but help to retire the indebtedness for other portions of the improvements, such as reclamation. It has been the policy of the Government, for many years, to retain control over generation of hydroelectric power in such projects, which is a wise one and should be continued. I am a firm believer in private enterprise and hold the view that the Federal Government should not inject itself into commercial operations where private enterprise may carry them forward adequately and successfully. However, it is my view that in these large river developments which have power development as one of the major factors, the ownership and control over the entire project, including power, should be retained by the Federal Government.

The industrial machine of America runs full speed by reason of our oil, coal, and hydroelectric energy. Our coal and

oil supply is expendable, but hydroelectric power will continue as long as the sun shines and the rivers run. We in America would be recreant in our duty if we failed to make full utilization of this immense storehouse of hydroelectric power in order to preserve our front-rank position in production, as well as maintain an impregnable national defense.

I crave your indulgence to review this whole problem of national resource development and its relationship to our national economy and to call your attention particularly to the part the great Columbia River and my own State of Oregon and the Northwest have played in the forward-looking long-range program for the development and utilization of the natural resources of the Pacific Northwest.

The new program for increased air power for national defense recently passed by the House will require for its fulfillment an immense quantity of hydroelectric power for the production of aluminum and magnesium. The Columbia River is the reservoir for potential hydropower in the Nation, containing over 50 percent thereof. There are a number of projects either in the planning stage or under actual construction which should be put in the must category as emergency projects and pressed to completion at the earliest possible time. Foremost among them is the completion of the remaining generators at Coulee Dam, completion of McNary Dam and Foster Creek dams on the Columbia River, Hungry Horse Dam in Montana, and the Snake River dams and some some smaller hydro dams in the flood-control projects in the Willamette Basin. I believe the House made a grievous error recently in cutting down the appropriation recommended by the Bureau of the Budget from \$30,000,000 to \$20,000,000 for McNary Dam, and failing to appreciate the urgent necessity in increasing hydroelectric power by adopting the recommendation made by the Army engineers for a \$40,000,000 appropriation which would permit power from this project to be brought in by the fall of 1953. It is not too late to correct our mistakes with reference to these projects and I feel sure that you will agree with me if you give full credence to the facts I am presenting.

Mr. Chairman, for many years I have investigated the various angles of our national resource problem, and several times each year I have addressed the House on various parts of this problem. Early in 1939, before the European war had started, I first called attention to our serious defense situation resulting from our small supply of critical materials. In May 1940, some 2 weeks before the late President Roosevelt addressed a joint session of both Houses on the need for his declaration of a defense emergency, I presented a detailed analysis of the Nation's critical material position. The conclusions derived from my 1940 analysis were to the effect that this Nation was not then prepared to fight a modern war because of our lack of modern electrochemical and electro-metallurgical industrial-plant capacity and the resulting

materials. Our national experience between Pearl Harbor and VJ-day has confirmed all of these early suggestions. What I then presented to the House is just as applicable today—and more so, since we have discovered the secrets of atomic fission. With the development of the A bomb, our big defense has assumed vast importance.

In 1940 we started the consideration of an expanded air program, and had reached the point where we had set out the required number of planes of various types and sizes, but in so doing we failed to recognize the amounts and kinds of critical materials needed to construct such an array of ships, the energy required to process the raw materials, and the fuels and lubricants needed to keep such numbers in operation. We are going through the same cycle today, without tracing all the requirements back to the basic supply of critical materials, energy, and fuels.

Furthermore, since 1940 we have become the storehouse for the world. In assuming this world supply position I also feel that we have not given the requisite attention to what we are doing to our own resource base. When this is investigated we will find serious depletions.

From time to time I have reviewed and amended my original analysis. Each time that I attempt such a revision I find that the over-all results indicate a compounding depletion condition, which has now become extremely serious. Anyone who has worked on this problem both from a historical and factual viewpoint will be impressed with the lessons of history. These lessons show that nations which have allowed the critical material depletion cycle to continue first dropped from a major world position to a secondary role, and then later became decadent nations. History also shows that when the causes of war are analyzed we will find in the majority of cases the conflicts were nothing more than struggles for the control of critical materials. If we can organize the controls applying to the distribution of critical materials we will have made real progress in outlawing war. Any frenzied nation can start a war, but the ability to successfully wage a war under modern technological conditions depends entirely on the availability of critical materials, and industrial capability. Therefore, it is axiomatic that the only means of preventing or limiting the spread of war is through a tight control over critical materials. Progress toward peace must therefore originate with those nations that can develop the critical materials and have ready access to the materials of friendly nations. The world position of "have not" nations is necessarily weak. Such "have not" nations therefore are not in a position to promote peaceful progress. China is an outstanding example of a nation which permitted its resources to become depleted. In this condition China has become the prey of scheming nations. The power to prevent or limit war therefore rests in possessing or controlling a majority of the critical materials; keeping control of the sea lanes; expanding industrial production; and maintaining a modern defense organization.

As nations grow and develop, they progress from a solely agricultural status to a combined agricultural and industrial economy. It is only through effective coordination and the balancing of agriculture with industry that a nation can maintain and then improve its standard of living. The expansion of industrialization necessarily requires an increasing volume of critical raw materials and many other resources. Under the natural order, it appears that no nation has been endowed with a full line of critical resources. With technological advances, industry on a world-wide scale is bound to expand. Such an expansion results in the industrial raw-material situation changing from a serious to an acute problem. This is the situation that this Nation now faces, since we have become the world's leading industrial and mass-production nation.

From these brief preliminaries it is obvious that any complete discussion of the critical- and strategic-material situation must fall into four categories, namely: First, our own national-resource base; second, the resource base of potential enemies; third, the requirements of our own expanded industry; and, fourth, the use of industrial power as a means of preventing war. These four elements are not independent or isolated items. Each element is just one component of a huge over-all problem which will take a long period of readjustment to completely solve. It is a problem that does not permit a static approach; it is one that requires long-range development.

Volumes can be written on all the phases of this huge problem, but such an attempt is far beyond the scope of this discussion. Therefore, this discussion must be limited to a brief inventory of our own resource condition, and the needed correction measures, in order to supply continuing facts and to point out the contribution that my section can make toward repairing our weakened foundations. The West is rich in certain types of potential resources, but these resources can never become effective until they are made a part of a quick-moving, dynamic system.

Technological developments are largely responsible for our present resource condition. This same type of development can also be used to provide corrective measures, through the application of electrochemical and electrothermal processes. These processes require large volumes of low-cost power, and there are very few places where such a type of energy can be secured. The past contributions of Columbia River power have demonstrated what can be accomplished through modern electro processing. What is before us is nothing more than the continuation of the modern applications which have been so successful during the past 7 years.

When I started the resource discussions in 1939, only two small generating units were in process of installation at Bonneville, and none at Grand Coulee. During the emergency we saw Congress complete the 10 units at Bonneville and provide 9 units at Grand Coulee. Since that time we have seen the Coulee unit

appropriations grow to 15 units, and McNary, Foster Creek, the Willamette, and the Snake River developments authorized. The early foresight of Congress in accelerating the Columbia River power program enabled the Pacific Northwest to contribute a substantial portion of the tools of victory.

Beginning with 1939 we have witnessed wide developments in the fields of electrometallurgy and electrochemistry. The most satisfactory materials for airplane construction became the products of the electric furnace and the electrochemical cell, since the products of the older conventional blast-furnace processes did not have the requisite lightness or strength for the high-speed duty of airplanes and all other types of transportation equipment. Early in these discussions I pointed out that the Michigan automotive industry would not have been possible if the early Niagara electric metals were not available.

COLUMBIA RIVER CONTRIBUTIONS

Mr. Chairman, in September 1940 the first aluminum production in the Pacific Northwest commenced. This was the time when the Vancouver ingot plant of the Aluminum Co. of America began operations. Between that date and September 2, 1945, when the Japanese capitulated aboard the U. S. S. *Missouri* in Tokyo Bay, the two Columbia River plants generated 26,088,000,000 kilowatt-hours for use in the war effort. Seventy-three percent of this output went directly to the following defense plants located on the lines of the Bonneville Power Administration: Five aluminum pig ingot plants; one large aluminum rolling mill; three commercial shipyards; three carbide and alloy plants; three chemical plants; one manganese operation; one metallurgical operation; and the Bremerton Navy Yard. In addition, 13 military and naval establishments received their principal power from these plants. Twenty-seven percent of the total output of the Columbia River plants went to distributing agencies which, in turn, transmitted power to the smaller fabricators. The war plants directly served with Columbia River power represented a plant investment of \$476,151,000 and the estimated value of the products turned out by these plants represented \$6,660,000,000. Of this total dollar value, \$1,876,000,000 represented the production of aircraft; \$3,737,000,000 the production of Liberty and Victory ships, tankers, and baby carriers; \$177,000,000 represented ordnance items; \$2,000,000 communication equipment; \$275,000,000 ingot aluminum; and \$593,000,000 miscellaneous smaller items. At the end of the war period, the total Federal investment in the Columbia River power facilities amounted to \$266,000,000. Therefore, for every dollar invested in power facilities the Nation secured \$25 in defense materials. The influence of low-cost Columbia River power on the price of these products was very pronounced. For example, in 1939 the current price of aluminum was around 20 cents per pound. When the full influence of the low-cost Columbia River plants became effective, the pound price dropped to

around 14 cents. This represents approximately a 30-percent reduction. If we use the very conservative saving of 10 percent in costs, we will find on the basis of these figures that the resulting saving to the Government was around \$2.50 per dollar of power investment.

The above figures do not include the Hanford plant, as the process at that plant is a secret of the highest order. The nearest that we can come to an evaluation of this highly successful plutonium plant is that it represents an investment totaling over \$300,000,000, or in excess of the total then invested in the Bonneville and Grand Coulee power facilities. Stop and think how this Nation would have suffered in the last war without these highly important defense contributions. As a result of the early and wise congressional vision and action, the Columbia River power produced around 40 percent of the metals and chemicals going into the Nation's wartime air program. The remarkable fact in connection with this accomplishment is that these power plants were able to maintain a continuous high-production rate while producing a full financial pay-out, as I fully demonstrated on January 24, 1948, when I appeared before the House War Department—Civil Functions—Appropriations Committee.

COLUMBIA RIVER PAY-OUT

When I appeared before the War Department Subcommittee I fully detailed the power pay-out capability of the two operating Columbia River hydro plants. This demonstration can be found on page 789 of the House hearings covering the 1949 civil functions of the Department of the Army. Therefore, at this time it will suffice to state that since 1940 the Columbia River power projects have deposited in the United States Treasury \$105,000,000 of gross revenue derived from the sale of power. This revenue covers all costs, including interest and amortization and, in addition, has provided a surplus—or additional profit over all such costs—in the amount of \$23,000,000. This was accomplished in a short period. The costs that are covered by this gross revenue include full annual interest charges on the total Federal power investment; the complete annual component of amortization costs to fully pay out the Federal investment in 50 years' time; all replacement costs within the amortization period necessary to maintain the property in 100 percent condition; and all operation and current maintenance costs including what has been designated as a tax equivalent.

The House Appropriations Committee investigators have recently examined the books of the Bonneville Power Administration and the agencies operating the two generating stations. The report of these investigators was recently made public by the chairman of the House Interior Appropriation Subcommittee and is a source of considerable satisfaction, as it confirmed the position I have taken for the last 4 years covering the pay-out capability of these hydro projects. The investigators' report further stated that the books of the Bonneville Administration were found to be in the

best condition of any governmental books they had examined. I cite these facts to show that the resource corrections I am urging can be accomplished on a sound, self-liquidating business basis.

OUR RESOURCE POSITION

On numerous occasions I have called attention to this Nation's low potentiality applied to the following highly critical and essential industrial materials: Asbestos, bauxite, chromium, industrial diamonds, graphite, manganese, mercury, manila fiber, mica, nickel, quartz crystal, rubber, tin, and tungsten. In previous discussion of these deficiencies I have enumerated the industrial use of these materials, all of which are highly important. To further exemplify this importance I will now cite a few facts relative to the metal manganese and its application in the metallurgical manufacturing processes of the steel industry. For 60 years our technicians have endeavored to find a satisfactory substitute for manganese, but have not been successful to date. It takes only a small quantity of manganese, namely, 14 pounds per ton of steel produced, but its importance is so far-reaching that if our manganese supply were cut off it would be impossible to continue the manufacture of steel. Without steel the modern machinery of defense and industry would be nonoperative. For years our principal supply of manganese came from Russia and British India. Since the invasion of Russia, however, we have had to turn to South Africa, Brazil, and Cuba for our principal supplies. When steel production is up to plant capacity the industry requires in excess of 800,000 short tons of manganese annually.

The United States takes nearly half of the world's tin output, but we have not been able to find in this country even a very small commercial deposit of this material. The world's tin supply is controlled by a tight foreign governmentally owned monopoly and by agreements between the few large producing countries. We did not suffer greatly during the last war because of the lack of tin as we were able to develop many substitutes. However, we were not able to compensate for the indispensable use of this metal in bearings, solders, bronzes, and gun metals, and for these uses we depended on friendly countries.

A recent analysis of the antimony, lead-zinc, and copper-ore-supply situation brings out the amazing fact that within the next 10 years we will have exhausted our available high-grade ores. Possibly by 1960 we will also find that we have exhausted our supply of high-grade-copper ores. A few years later the indication points to supply exhaustion of hematite iron ores and petroleum. Late figures prepared by a national industrial conference board clearly set out that this Nation is reaching exhaustion in many highly important defense and industrial resources. The only major items that this industrial board found that were not approaching the depletion stage were in the fields of coal and potential hydroelectric power. In short, we still have large energy resources which

can be used to develop corrective measures.

For years timber has been the No. 1 resource of the Pacific Northwest. The timber industry through a long period of time has supported in excess of one-fourth of the total regional economy. Through these years we have thought that our large forests were inexhaustible. However, surveys and studies by the United States Forest Service tell an entirely different story. Since World War I we have reduced our reserve stock of saw timber about 45 percent. At the present rate of cutting, all privately owned timber will be cut in about 17 years. The timber on public as well as private reserves will be depleted in about 25 years. When this depletion occurs, where will the employment now used in the logging camps, sawmills, pulp mills, and other lumber pay rolls be used? We must stop and think of ways and means of finding replacement jobs. If this is not done, what will happen to our lumbering cities with their large property values? The people of the Northwest can visualize causes and effects when we talk in terms of such a well-known and extensive industry. The same chain of events is occurring in the mining industry. The country is digging out and exporting its industrial base. The solution lies in finding substitutes and synthetics, processing low-grade ores through electro processes, and strategic stock piling.

Going hand in hand with this resource depletion is the continued erosion of our agricultural acreage. Recently our State agricultural schools have estimated that 1 agricultural acre out of every 10 acres is lost for productive uses during a 10-year period. We do not have to look very far to find much evidence to confirm the fact that our entire resource base is undergoing serious erosion.

OTHER STRATEGIC MATERIALS

It has become one custom to consider strategic materials as those necessary for defense which must be procured outside of the continental limits of a given nation. This definition is too narrow, as strategic materials are just as necessary for peaceful commerce as for war, since both activities are becoming increasingly mechanized through scientific development. No list of strategic materials can be considered fixed over any long period of time. Industrially this type of material is generally used in combination with other materials and results in what are called alloys. Mechanization depends largely on alloys, and a developed shortage in one line may induce a shortage in another line of materials.

There are other major and minor materials over those that I have cited which are included in official strategic lists. I will mention a few of these to exemplify what can be done in the field of synthetics and substitutes.

Silk is used to make balloons, parachutes, and powder bags, and, as we know, our principal prewar sources of silk were Japan and Italy. When these sources were eliminated by war, our technicians were able to manufacture synthetic textiles which proved satisfactory for aerial uses. Current supplies of

waste silk and chemically treated cotton gave us our powder bags. A special rare quartz crystal is used in radio control. To date we have found no substitutes, but a developed source exists in Brazil. In time we can develop a substitute through electro processes.

Mica sheets have extensive use for electrical insulation, and come principally from India. Recently synthetic mica sheets have been produced from absorbent clay and ground mica, both of these materials occurring abundantly in the United States. Quinine is another such material, and comes from the cinchona bark grown in the Dutch East Indies—tightly controlled by a Dutch monopoly. We now have the synthetic drugs atabrine and plasmochin, which are effective in the majority of malarial cases and can be substituted for quinine. Coconut shell char was formerly considered essential for gas mask fillers. Recently effective chemical and charcoal fillers have been developed.

We are all familiar with the success of the war-developed synthetic rubber program, and the progress made in the development of synthetic liquid fuels and lubricants. Although there is room for improvement in the processing of such major volume commodities, the progress has been so substantial as to provide the incentive to develop synthetics in other strategic fields.

SOLUTION OF RESOURCE DEPLETION PROBLEM

At this time, considering our own depletions, this Nation must depend on foreign sources for many of the necessary critical materials. From time to time we will find that importations will be progressively restricted, reduced, and then cut off. When this stage of the trade cycle is reached, we will then find this Nation drawn into an economic conflict. From this point on, the whole matter will become one of defense, involving a comprehensive program of preparedness. Before the Nation reaches the last-mentioned condition we must set up a sound program designed along specific lines, with emphasis on those parts involving long term objectives. We should make a substantial start at an early date.

Mr. Chairman, it would appear that resource retractive measures can be classified as follows:

First. Prospecting discovering, and exploiting all possible new domestic material sources.

Second. Developing methods of utilizing the lower grades of raw material in order to make properly located raw-material supplies immediately available. This type of development is one that must be built around an adequate low-cost energy supply.

Third. Encouraging the development of domestic production of synthetic products. This, again, will largely rest on adequate low-cost supplies of power.

Fourth. Planning and developing the production of alternative and substitute materials. Again, this is an element which must rest on a solid energy base.

Fifth. Building up and maintaining reserve stock piles. These stock piles should only be used when other sources fail, and in the interim during which new

sources are being rapidly developed. During the past 2 years, as the result of heavy commercial demands, our aluminum and other metal stock piles have been exhausted.

Sixth. Making arrangements to increase available supplies in friendly foreign countries that can be transported over sea lanes which can be maintained at all times.

Seventh. Reclaim for use all critical scrap obtainable from industrial, consumer, and governmental sources. This, again, involves the use of electro processes.

Eighth. Conserving existing home supplies by changing operating methods.

Ninth. Controlling exports by licenses, and then later establishing limited priorities and consumption curtailment when all other methods become ineffective.

It will be seen from these classifications that our major future potentialities largely rest on a substantial energy foundation for the large-volume critical materials principally used in the heavy industries, engaged in mass production. All items affecting the proper development of a substantial air program fall within this category. We simply cannot develop and maintain an adequate atom defense without large supplies of low-cost power. This fact cannot be overstressed if we are to maintain security.

In order to relate such large-volume critical materials to the energy base I will now specifically discuss a few of these principal items.

LIGHT METALS INDUSTRIES

In this category fall aluminum and magnesium. Both occur more abundantly on the earth's surface than any other materials, but they are so mixed with other adulterating materials that processing is difficult and complex. Both types of material can only be reduced commercially by electro processes, and such large quantities of power are required in this processing that these metals are often called frozen kilowatts.

These are the metals of the future, and will be increasingly used to supply deficiencies in other metals. The use of these materials represents an increasing horizon, and the outlook seems to be unlimited. No nation can build or support an adequate air program without full control of all parts of the light metal industry. Light metals depend entirely on low-cost, large-volume power. Other metal deficiencies make the outlook for aluminum use brighter year by year, and these prospects will be shared by the more youthful magnesium industry. The principal contribution of the Pacific Northwest will come in this field, and these operations will assume year by year a greater proportion of the over-all economy of the region and the Nation. The outlook for light metals in the next decade will depend entirely on the availability of adequate and proper supplies of energy. The relative postwar expansion of aluminum exceeds all other materials. In 1947 the aluminum industry was producing and selling four times the highest prewar poundage. More could be produced and sold if sufficient power were available, since we have depleted a large stock pile to meet consumption.

Before the war, half of the primary aluminum production was fabricated into sheets. This type of product has encountered sharp use increases due to development of multiple economic uses and the extremely short supply of steel sheets. Commercially, the use of aluminum is young compared with iron, steel, lead-zinc, and copper. This country's war-time expansion of aluminum ingot capacity was sixfold. In terms of volume use, aluminum has now passed copper and is next only to steel.

In 1930 the United States annual production of primary aluminum was 114,500 short tons. In 1939 this production increased to 163,545 tons. Due to inadequate early power planning before Pearl Harbor the Administration found it necessary to undertake the Shipshaw Canadian project and import some 650,000 tons of Canadian ingot. The maximum estimated war peak aluminum demand was around 1,750,000 tons, but this was not realized due to inadequate power supplies. This condition caused the armed services to curtail necessary aluminum uses to preserve metal for the air forces.

Our previous short-sightedness also caused us to rapidly expand our ingot aluminum production capacity to over 1,000,000 tons, largely at the taxpayers' expense. Such rapid expansion resulted in building commercially unfeasible plants, not usable in the postwar period. As a result, approximately 450,000 tons of federally owned ingot plant capacity is now either shut down permanently or cannibalized. The United States peak year wartime ingot production amounted to 920,179 short tons. To this must be added the Canadian importations to secure the total peak amount used. Today all aluminum ingot plants that can be operated are in full production, turning out aluminum ingots at the annual rate of 600,000 tons. Forty-seven percent of this production comes from the Pacific Northwest. Nonmilitary aluminum demands under the most conservative estimates will reach 1,000,000 tons by 1952, which represents an increased need for 800,000 kilowatts to process ingot alone. To this must be added, say, 200,000 kilowatts for alumina production and fabrication. If we then add, say, 250,000 kilowatts for expanding air force requirements we arrive at the early need for 1,250,000 additional kilowatts, which is some 30 percent in excess of the ultimate development at McNary Dam site. If this Nation is to preserve its critical material economy, it must immediately plan additional self-liquidating large-volume, low-cost power sources.

Careful extended estimates point to a national aluminum consumption of around 2,100,000 tons within the next 15 years. This figure is predicated upon average economic conditions, and may vary upward or downward about 30 percent depending on the economic climate in the intervening years. The average additional power requirements to meet such a demand would be about 3,000,000 kilowatts, or the equivalent of four McNary projects. We must realize, in thinking in these terms, that an adequate air defense against the atom bomb is going to require large volumes of pow-

er such as can be developed on the Columbia. Such a power supply is a vital link in the atom chain.

The industrial use of magnesium is in the development stage, and since it is the lightest of all metals, the future—under diminishing supplies of other metals—is also extremely bright. Magnesium occurs in nature in compounds which exist in ores, subterranean brines, and sea water. Extensive primary sources of this metal occur in the Pacific Northwest. The extraction of the metal is entirely an electro process which also requires large volumes of power. Magnesium, when alloyed with small amounts of other metals, acquires more strength per pound than any other known metal.

The industrial use of magnesium is very new. Aluminum is also a new metal, but industrially it is over twice the age of magnesium. When we compare the outstanding characteristics of magnesium with the 2,000 years of history behind the metallurgy of iron and steel, we can readily see how the uses of magnesium will rapidly multiply when scarcity develops in other metals. The domestic market for magnesium is still small, but is expanding. It is a conservative prediction that within the next 15 years the market for magnesium will reach 150,000 tons, compared with the present market of approximately 20,000 tons annually.

The existing Spokane magnesium plant is being held in reserve stand-by condition by the War Department. This plant took, during the war, 55,000 kilowatts to produce at the rate of 24,000 tons annually. Therefore 150,000 tons would take approximately 350,000 kilowatts. The introduction of the modern jet engine in aircraft will greatly increase the need for magnesium, as more than 40 percent of the weight of these new engines will consist of magnesium castings. The extraction of magnesium from sea water has prospects of producing the lowest cost magnesium, and future plants will therefore most likely be of this type.

PETROLEUM RESERVES AND CONSUMPTION

Mr. Chairman, a recent analysis made by the American Petroleum Institute indicates that the existing proven petroleum reserves as of last year amounted to 21,900,000 barrels. In the past, increasing discoveries of new fields were adequate to take care of consumption increases. However, the new discovery rate is now rapidly dropping. Ten years ago new discoveries represented a rate of 930,000,000 barrels annually. Recently new discoveries have dropped almost to the vanishing point.

In 1947 the United States annual rate of petroleum consumption exceeded 2,000,000,000 barrels, which is more than the world-wide prewar consumption. The per capita United States consumption of petroleum products increased from 370 gallons in 1938 to 608 gallons in 1947, or an increase of 65 percent.

There are no indications that the present consumption rate will stabilize within the next 5 years, but it will probably increase. This Nation now has only about 30 percent of the world's known petroleum reserves, and our domestic consumption is nearly two-thirds of the world's production. During the past

winter the effect of oil shortages suddenly became very pronounced, resulting in distress calls from many sections of the country. Our present petroleum demand exceeds the war's peak consumption. I feel that this serious petroleum situation should receive vigorous and early attention. We cannot maintain an adequate air force if we allow our petroleum reserves to vanish.

It is no wonder that Arabian oil is now receiving major international attention. The stated proven reserves in the Middle East are 25 percent higher than the total like United States reserves. Surveys indicate that the Middle East oil reserves will probably exceed those of the United States by 50 percent. Geophysical soundings and surveys indicate that the greatest existing oil pools lie in Russian territory. Russia's supplies of critical materials are not fully proven, but what knowledge we have clearly shows that the vast Russian reserves of all kinds of critical materials have been largely untouched. Russia today—from a resource standpoint—is about in the same reserve position that this Nation occupied a century ago.

Our usable oil-refining capacity is now being operated at the highest possible rate and on a very efficient basis. The oil industry is making every effort to expand refining facilities to keep abreast of increasing domestic demands. In this atomic age, all our defense arms move on petroleum products. The preservation of our national security therefore rests upon an adequate petroleum base. With consumption doubling, new discoveries dropping 75 percent in 10 years, and reserves being depleted, it is apparent that this Nation is rapidly drifting into a very insecure liquid-fuel position. One of the important corrective devices in this field lies in the utilization of other energy sources. The most efficient power plants of the country produce about 550 kilowatt-hours per barrel of oil, but 500 kilowatt-hours per barrel is a conservative round figure representing the best present average practice. One kilowatt-year of hydro-power is therefore equivalent to about 14 barrels of oil, but when we add the incidental transmission losses we will find that 1 kilowatt-year will represent about 15½ barrels of oil. Some of the older generating plants in the Pacific Northwest only produce 300 kilowatt-hours per barrel, or 23 barrels per kilowatt-year.

The potential high-quality power located on the Columbia River and its tributaries represents about 20,000,000 kilowatts. Of this amount 18,500,000 kilowatts are now flowing to the sea unused. If this oil-replacement energy were developed, the oil saving would be, in round numbers, 290,000,000 barrels per year, or about 95 percent of the total European oil consumption, or close to one-quarter of this Nation's prewar consumption. The 15-unit completed Grand Coulee plant is equivalent to a saving of 28,000,000 barrels of oil annually. When the McNary plant is completed, the oil saving due to this one plant alone will represent close to 16,000,000 barrels annually.

The existing steam generation in the Pacific Northwest is about 275,000 kilo-

watts, and when this capacity is running to meet low-water conditions 5,000,000 barrels of oil will be consumed; 5,000,000 barrels at \$2.50 per barrel represents \$12,500,000 annually. The potentiality of the undeveloped proposed Columbia River plants as an oil conserver is enormous.

RELATED IRON METALS

Included in this industrial classification are stainless steel, steel castings, ferro-alloys, electrolytic iron, and electrolytic manganese. There has been little development in the Northwest in this field save for those items directly associated with electro processes. In the conventional lines the past production in the Northwest has been lower than the home consumption.

The conventional fuel-furnace types of iron industries represent a large cross-section of our over-all national industrial set-up. These industries, together with their dependent industries, namely, the automobile, machinery, and equipment industries, use nearly half of this Nation's fuel production and one-quarter of the Nation's power output. As the availability of high-grade ores decreases over the next 15 years we will find this industry turning more and more into the direction that the light-metal industry is now advancing. The power requirement of such a transition will ultimately exceed the requirements I have detailed for the light-metal industry. This industry has many ramifications, but my investigations indicate that the early new power uses will come in the fields of stainless steel, electric-furnace alloys, electrolytic iron, and electrolytic manganese. The power requirements of such a transition in the next decade applicable only to the Pacific Northwest will range from 130,000 to 215,000 kilowatts. Due to the weight of such products, manufacturing locations will be defined by available markets.

OTHER ELECTRO INDUSTRIES

Time will permit only the briefest discussion of the resource correction power requirements of the following types of industries:

First. Nonferrous metals industries.

Second. Nonmetallic industries.

Third. Electrochemical industry.

The nonferrous metals, which include zinc, lead, copper, and antimony are found in the Pacific Northwest in various types of ores. As the better grade ores are mined out, this industry must turn to electro processes to handle the lower grades. Such reduction also requires substantial amounts of power. In these fields the resource correction power feasible for installation in the Pacific Northwest in the next decade will range between 200,000 and 330,000 kilowatts.

The principal industries included in the nonmetallic group include cement and abrasives. The cement industry cannot be strictly designated as an electro industry, but its processes require large quantities of mechanical power. This industry normally consumes between 2 percent and 4 percent of our national power output. The general industry expansion of other lines in the Pacific Northwest will result within the next decade in expanding cement power

requirements ranging between 20,000 and 40,000 kilowatts. The abrasive industry has just recently established its initial plant in the Pacific Northwest. This type of industry feasible of development in the Pacific Northwest within the next decade will require about 15,000 to 30,000 kilowatts.

The electrochemical industry is one with extremely large possibilities in the fields of phosphorus, sulfuric acid, chlorine, carbon, and rayon as substantially all the basic raw materials are available in the Pacific Northwest in large quantities. These types, when combined, also require large amounts of power, and within the next decade the power requirements of this type of activity applicable to the Northwest will range between 350,000 and 750,000 kilowatts. The largest part of this power application will come in the fields of phosphate and fertilizer on account of the extremely large deposits of the base material located in the Northwest. Ultimately all our national agricultural activities will depend on the extensive Northwestern deposits.

AGRICULTURE AND FORESTRY

Approximately 52,000,000 acres, or one-third of the total land area of the States included in the Pacific Northwest, represent all types of farming acreage. The land actually used for crops represents 34 percent of this total, the remainder being used for range land, pastures, woodlands, roads, and homesteads. To balance industrial population increases, some two million to three million additional acres must be brought into production within the next decade. This additional acreage must largely depend on irrigation and drainage, and a substantial part will be dependent on power for pumping. Food processing will also increase power demands. Conservatively, all agricultural uses will in the next decade call for 150,000 to 200,000 additional kilowatts.

The Pacific Northwest is the largest timber-producing section in the country. The total national softwood lumber production runs about 20,000,000,000 board feet; of this amount, 45 percent comes from the Pacific Northwest. About 95 percent of the national shingle output comes from the Pacific Northwest; also 20 percent of the paper pulp; 97 percent of the Nation's plywood; and 50 percent of the wood laths.

As timber reserves diminish, the use of power will increase as wastes become more valuable commercially. Within the next decade such power additions in the Northwest due to timber operations will conservatively range between 250,000 and 450,000 kilowatts.

NORMAL GROWTH POWER REQUIREMENTS

Mr. Chairman, on January 6, 1948, all the power-distributing agencies in the Pacific Northwest agreed upon the normal regional power needs over and above all presently contracted generating units. These confirmed estimates show normal load power deficiencies by years as follows:

	Kilowatts
1949-----	356,000
1950-----	587,000
1953-----	924,000
1956-----	1,607,000

In listing these requirements I have made allowance for Grand Coulee units No. 13, No. 14 and No. 15, recently initiated, authorized, and covered by appropriations. I have corrected the Tacoma agreement figures accordingly. These generation deficiencies cover only normal residential, rural, and commercial increases, and exclude all additional military requirements growing out of the Air Force expansion activities. They also exclude all resource correction requirements which I have covered in my discussion today.

I have purposely omitted any discussion of highly secret new power additions which must go to the Pacific Northwest under existing conditions. These additional requirements will start with the need for about 300,000 additional kilowatts by 1950 and will increase to about 900,000 kilowatts by 1956 or 1957. This item is over and above all power increases that I have cited.

I wish that time were available to outline what Russia is doing to expand its resource base. It will suffice to say that Russia is rapidly developing bulk hydro power to form the foundation of an all-out electro industry, which will be usable for modern military effort, when they have mastered the production of the atom bomb.

POWER REQUIREMENTS FOR RESOURCE CORRECTION

All of the cited power resources correction figures, plus the military uses which I have outlined, normal growth, and accessory needs including transmission losses, add up to some 8,500,000 average kilowatts as needed within the next 15 years. This amount of power is equivalent to less than 50 percent of the ultimate potential of the Columbia River. In presenting these facts I am not urging that all these facilities be located on the Columbia, as I know that other considerations must—and will—govern. However, it is obvious that if a considerable amount of the basic mass production power is not developed in the Nation, the electro processing will be diverted to foreign countries which are rich in low-cost hydro potentials, such as Canada, Scandinavia, and South America. All of these cited resource-corrective devices represent new basic industries, and do not take away existing industries from other sections of the country. The basic raw materials produced by Columbia River power will go to the eastern, southern, and midwestern sections for fabrication. For example, Alcoa has recently constructed a large rolling mill in Iowa to fabricate Columbia River aluminum ingots, and investigation shows that the Columbia ingots go to some 800 different locations for processing.

The corrective power required by 1952 will total about 5,000,000 kilowatts, over and above normal load increases resulting from population increases and normal commercial activities.

Every section of the country is short of power, due to material curtailments during the war years. To overcome these normal shortages the private power industry is planning generation increases totaling between 12,000,000 and 15,000,000 kilowatts in the next few years. Most of this increased capacity represents high-cost steam power which is not com-

mercially feasible for use in resource correction, but is the kind of power that can be efficiently used in the home, on the farm, in stores and in those fabrication industries where power represents only a small portion of the over-all cost of the product. In the basic critical material industries, where power is a large part of the over-all product, cost, resource power must be sold at a price less than half of the best steam cost or lower, in order to meet world competition. Therefore, resource correction power must come from high-grade hydro, located within economic distance from the source of other raw materials.

At this point I wish to add an observation applying to the resource correction figures I have submitted. The only way in which it is humanly possible to judge any future occurrence is through a proper and adequate extension of past experience. This is the approach used in this discussion. Obviously, it should be stated that such an approach has limitations, especially when past occurrences cover short periods. To make such an analysis completely conservative I have used mean values in reaching a total of 8,500,000 kilowatts. To these values a "tolerance allowance" can be applied. Investigations indicate that such a tolerance is possibly in the neighborhood of 30 percent in either direction. On such a basis the most probable minimum resource value would be the stated mean values, less some 30 percent. Such an irreducible minimum greatly exceeds what has been considered by the Congress for new projects to be located on the Columbia and elsewhere, and it is safe practice to start with this ultraconservative base for the purpose of outlining immediate needs. Such a start will necessarily have to be modified from time to time in the light of continued experience. This can be done, in my opinion, without creating an unwise or inefficient set-up. I will therefore now present conservative suggestions for early hydro construction on the Columbia.

ADDITIONAL GENERATION

Eight Army projects have been authorized for the Columbia and its tributaries, and four for the Bureau of Reclamation. Present proposed construction schedules for these projects will give the following self-liquidating peak load rated capacities in the period shown:

Period	Army projects	Bureau of Reclamation	Total
	Kilowatts	Kilowatts	Kilowatts
1950-51-----	339,000	339,000	339,000
1951-52-----	216,000	216,000	216,000
1952-53-----	50,000	123,000	173,000
Total-----	50,000	670,000	728,000

During these same years the following power deficiencies will occur under these schedules, excluding all cited military, defense, and critical material power loads which I have presented in this discussion:

Year and shortage	Kilowatts
1950-51-----	328,000
1951-52-----	515,000
1952-53-----	253,000
Total-----	1,096,000

It is therefore obvious that present generator schedules will not prevent a shortage in the required supply to meet the needs of existing customers, to say nothing of any kind of defense or critical material expansion.

Moreover, the recent budget submissions to the Congress will even slow down the projected schedules, so that a year's delay over the dates I have given will result, even if Congress appropriates up to the full budget submission. Unfortunately, the War Department civil functions bill went through the House with cuts approximating one-third of the budget requests. This will result in another year's delay in the proposed schedule.

It is therefore obvious that at the rate construction on these projects is progressing, curtailments will be necessary in a low-water year, and not a single kilowatt will be available for the defense or correction measures that I have outlined in this discussion.

Mr. Chairman, in view of the foregoing I feel that it is necessary to suggest that the following minimum action be taken to remedy a situation that cannot be permitted to continue:

First. Accelerate all possible those projects which provide upstream storage, like Hungry Horse and Albeni Falls. The latter project has not been authorized but can quickly provide around 1,000,000 acre-feet of storage, which in turn, will give at the site and in the downstream plants 100,000 additional kilowatts by the critical period of 1951-52. Hungry Horse, with its 3,000,000 acre-feet of storage, must be accelerated by 1 year over present submissions, which call for the first generating unit by 1952.

Second. The present schedules for the McNary project call for three units totaling 207,000 kilowatts by 1953-54; four more units in 1954-55, totaling 276,000 kilowatts; three more units in 1955-56; and the remaining two units by 1956-57 peak period. Additional appropriations will be necessary to advance this schedule by 1 year. This is highly important, as this project is located close to the areas of indicated deficiency. When I appeared before the House committee I detailed the reasons why this recommendation is in the public interest.

Third. The Foster Creek schedule calls for three units totaling 192,000 kilowatts by the critical period of 1954-55. This is also a highly important installation, and the generator schedule should be advanced 1 or 2 years, depending on the early completion of the necessary plans.

Fourth. The remaining units at Grand Coulee, namely, Nos. 16, 17, and 18, should be so advanced as to be in step with the additional storage to be provided at the upstream plants.

Fifth. The Detroit, Ice Harbor, and Lower Monumental projects of the Army engineers should also have their proposed schedules advanced by one or two years. The Detroit Dam, located on one of the tributaries of the Willamette River in Oregon, is well under way but the power features have yet to be authorized. Ice Harbor and Lower Monumental projects are a part of the authorized Lower Snake River navigational development.

Sixth. The Bureau of Reclamation has four projects being constructed or blue-printed in Idaho, and two small projects in the Yakima Valley, Washington. The power units on these projects should also be accelerated in order that their schedules can be worked into the regional load requirements.

CONCLUSION

One of the most important matters now before the Congress is the expansion of the Nation's air forces. We have talked all around this subject but have failed to show how we can secure the requisite metals and fuels for such an expansion. What I have suggested today for immediate minimum action is governed entirely by the legislative history of pending projects. These suggestions fall far short of meeting this Nation's metal and liquid fuel defense requirements. What I have presented clearly shows that the fundamentals of this large problem need closer examination than has been given, if we are to rebuild our defenses on an enduring, safe foundation.

Mr. MAHON. Mr. Chairman, I yield 15 minutes to the gentleman from Tennessee [Mr. GORE], a member of the subcommittee.

Mr. GORE. Mr. Chairman, it has been a pleasure to work with the chairman and the other members of this subcommittee, including the clerk of the committee. We have had extremely sharp points of difference between us upon numerous questions, but upon no occasion has there been any evidence on the part of anyone of even a frayed temper. Many of our differences have been resolved. Of course, those of us on the minority side of this subcommittee do not yet find ourselves in full agreement with a number of points.

However, in most cases we have yielded to the will of the majority and they, in turn, have yielded to some extent to the opinions of members of the minority. One point of difference, however, we cannot resolve. It must come to the Congress to be settled, and that is the proposal to build a steam plant at New Johnsonville, Tenn., by the TVA.

When the general debate shall have been concluded I will offer an amendment to restore to the bill the \$4,000,000 required. I might say further that in the event it is not agreed to in the Committee of the Whole I shall seek to offer it as a motion to recommit. This is a vital problem. This is an important problem. If the forces which seek to place a lid on the development of this great area of America are successful in this instance it will, in my opinion, be but the first step in their determined effort to hamstring public power development throughout the United States.

Perhaps no major commodity has seen such an increase in demand and use as has electric energy. Those who in the past have undertaken to estimate the needs of the future for electric energy have, almost without exception, erred on the side of underestimation.

Let me give you a few facts. The history of electricity in the United States shows that its use has doubled almost

three times since 1920. For instance, in 1920 the entire country used 39,000,000,000 kilowatt-hours. By 1928 that had increased to 83,000,000,000 kilowatt-hours. In 1941 we used 164,000,000,000 kilowatt-hours. Last year we used 255,000,000,000 kilowatt-hours. So far, the use of electricity in 1948 has exceeded greatly the use of electricity in the same period of 1947. The indications are that we will use more than 280,000,000,000 kilowatt-hours this year.

From one end of the country to the other there is one phrase that has a familiar sound: Shortage of electricity. Everywhere the demand is pressing the ceiling of supply until, as the gentleman from Mississippi said, the Federal Power Commission estimates that we have two-tenths of 1 percent reserve above what is being used. Compare this with a reserve of 25 percent before Pearl Harbor.

What plans are there to meet the growing needs of the country? Well, throughout the United States additional generating capacity is being installed, built, and plans for much more are under way. It is my privilege to serve on the Interior Department Subcommittee. There I have heard the story of the great public power agencies of the West. They, too, are increasing their installed capacity. They, too, are asking for increased capacity. Vast installations are being made.

What is the experience of the private power industry? Everywhere they, too, are meeting demands which are testing to the fullest their capacity. It has been cited here that the private power industry plans to increase its capacity by \$5,000,000,000 within the next 5 years. Compare that with a present total investment of \$15,000,000,000, and you will find what a great comparative increase they seek.

What is the story in the TVA region? There, too, demand has increased, only there it has increased phenomenally. The people are using more power in their homes, on their farms, and in their industries. When we began, only 1 farmer in 28 in the entire Tennessee Valley had electricity. Today one out of every two farmers has electricity, and the percentage would be more favorable were it not for the fact that during the war the building of electric lines was retarded because of the scarcity of materials. But the story has not ended, make no mistake about it. Five thousand new farmers are receiving electricity every month now in the Tennessee Valley, and just as surely as the farmers of other regions of America are demanding and are getting and are going to get added REA lines, so are we. Plans are under way to almost completely electrify the valley within the next 5 years. We are still behind much of the country. Some States have 90 percent of their farms electrified. We are beginning to catch up, and we are going to stay on the trail.

Now let us take a look at the residential use of electricity. I am talking about the American home. From 1945 to 1947 the annual residential use of electricity in the TVA system increased by 60 percent, rising from 900,000,000 kilowatt-hours to approximately 1,500,000,000

kilowatt-hours, and every month this load goes up. More and more women are leaving the back-breaking scrubbing board, casting aside the old corrugated washboard and cleaning their clothes with electric-washing machines. More and more have electric irons. More homes have refrigerators to preserve their food. I think that is an encouraging sign.

Also, the commercial and industrial loads have increased, but not as much percentage-wise as farm and residential use.

When we add these increased demands together, we find that the immense generating capacity of the TVA, like that of the private-power industry, like that of other public power agencies, is being sorely tested to meet the demand.

What are the indications for the future? The combined total indicates that by 1951 or 1952 or maybe sooner, we either must have additional generating capacity within the area, or brown-outs will be our fate. Just as private-power agencies and just as other public-power agencies have plans for increasing their generating capacity, so has the TVA. Were it not so, the TVA would have to confess failure, first in its basic purpose of integrated development of the valley, and second, to prudently plan for the future in the face of these facts. So the TVA comes forward, as does the budget, with a plan for increasing the generating capacity of the TVA system. Included in that and as a vital part thereof is the building of a steam plant at New Johnsonville, Tenn. Unfortunately, the majority of this subcommittee eliminated this item from the bill. It is for the purpose of restoring it that I will offer the amendment.

The proposed steam plant, plus additional hydroelectric units, is proposed by the TVA to meet normal peacetime loads alone. This additional generating capacity is needed. The urgent need is incontrovertible.

What did the subcommittee do after striking it out? They came forward with their own plan for meeting the needs of this important area, an area, mind you, of 80,000 square miles comprising portions of 7 States in which live more than 5,000,000 Americans. What is this alternative that the majority members of the Committee on Appropriations offers us? Look at the report. There you will see revealed their plan. They propose that the TVA stop selling electricity to industry. When the suggestion was first offered, I thought that it was so preposterous that it would not be taken seriously. Now that it threatens to become a stark reality, I find it abhorrent. It seems to me utterly incredible that the same Congress which so recently enacted the Marshall plan, which I applaud, the same Congress which is now undertaking such vast expenditures to rebuild the industry of our recent enemies, Germany and Japan, would undertake to apply a Morgenthau plan for the future industrial development of the Tennessee Valley. Not only for the future industrial development, but they propose that TVA quit selling power to existing industries in the valley. Surely, surely, the loyalty and the aspirations

and contributions to the Nation of the people of that great region deserve more considerate treatment.

In taking this position, the committee points out that under the TVA Act, there are preferred customers, the farm co-operatives, and the municipalities, overlooking the fact that in the TVA Act the Federal Government reserves for itself priority, even about that given local agencies. The committee denies that this publicly owned utility has any responsibility for customers other than the preferred customers set out in the act. Indeed, they deny that this utility, which is the sole supplier of electricity for the region, has responsibility for supplying the needs even of the preferred customers.

Although they deny responsibility for meeting the demands of these preferred customers of the valley, they proceed to say, nevertheless, that all of the demands of the cooperatives and municipal systems can be met in the foreseeable future if TVA will just quit selling electricity to industry. Poor comfort though this would be, if true, this statement of the committee, which was also urged by the private utility lobbyists, does not conform with the facts. For one reason, the committee has overlooked the existence of Federal agencies within that area. They overlook that TVA is furnishing power to the Huntsville Arsenal, the Smyrna Air Base, the TVA Chemical Laboratories, and the Oak Ridge atomic-energy plant. Would the committee stop those Federal agencies from receiving power from TVA, another Federal agency? Of course the atomic-energy plant at Oak Ridge was not set up as a preferred customer when the TVA Act was passed 15 years ago. But who can deny that it is a preferred customer now? If not by the TVA Act, then by subsequent acts. The Congress appropriated the money to build the Oak Ridge plant in the TVA area. The Congress did another thing. It authorized the creation of the War Production Board and gave to it authority to tell, not only public agencies, but private agencies, to whom they would give materials or power. The War Production Board said to the TVA:

You must furnish power to the atomic-energy plant at Oak Ridge.

Indeed, it had the highest priority for both materials and power existent under the priority system. Now, would you say that is not a preferred customer? Such a statement just would not meet the test of common sense. Surely, the committee would not deny power to the Federal agencies served by the TVA. And, yet, it is that premise that the committee report contends that preferred customers use only one-third of TVA power, and, therefore, contends that all preferred customer needs can be met if industrial users are cut off. I want to point out a fallacy, not only in the committee report, but a fallacy and a misleading statement upon which it was based, given in testimony by the private power lobbyist. The committee report said, and now today the gentleman from New York [Mr. COUDERT] says, and also Mr. Purcell Smith, the highest paid lobbyist in the world, for the power companies, said that

preferred customers use only one-third of the electricity generated by TVA.

Now, let me show you a chart that Purcell Smith presented before the committee and put into the record. Here is his chart. I want you to see this. According to this chart, here is the preferred customers, which, according to his chart, represents about one-third of the energy generated by TVA. Now, when you add the Federal agencies which are also preferred what do you find? Last year you find that the energy used by the real preferred customers is substantially more than shown by this chart of Mr. Smith.

Instead of it being one-third used by preferred customers, including Federal users, it is more nearly two-thirds. So the answers to our needs are not to be found here.

Now let us turn to the power supplied directly to industry. This power is in part secondary and interruptible and, therefore, it is not usable by nor salable to the REA's and municipalities. They want firm power. They want the kind of power that will be available any time and all the time. They want their lights to turn on when the switch is flicked, whether it is at 6 o'clock in the morning or 6 in the afternoon, or whether it is day or night.

True, some of the power sold to private industry is firm, but where is there an industry, a large industry, that will buy this kind of secondary, interruptible power unless they can have at least enough firm power to keep their plants in partial operation when interruptible power is turned off?

I should like to point out one other thing that developed during the war for which the TVA is now being lammed over the head. The aluminum companies in that area were told by the War Production Board not only to step up their production by avoiding interruptions in the operations of existing capacity, but they were told to add additional production capacity. And what was TVA told? They were told to supply 120,000 additional kilowatts to Alcoa alone. They did so. The aluminum company quite naturally contended that if they were to invest their money in additional capacity they would like for this contract for power supply to run for at least a reasonable time. Out of this and similar situations grew long-term contracts between the TVA and private industry. Why now, I ask you, should those private industries which employ thousands of people in those plants, or the TVA, be criticized or condemned for this?

Aside from the ruinous effect upon the valley of such an unfortunate policy as proposed, the fact looms up that even though energy were denied these direct industrial users we would still be faced with an impending power shortage. The committee plan would not answer our need; it would only postpone the necessity of a steam plant for 2 years if we cut off the industrial consumers entirely.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. GORE. Mr. Chairman, I yield myself five additional minutes.

Mr. Chairman, the people of the Tennessee Valley ask no alms. I am not embarrassed nor is any representative of the people of that valley embarrassed to ask for this additional generating capacity. We ask only that this utility, owned by the people, serve us adequately just as the people of any other area of America served by a utility system ask and demand that the area and the needs of the people be adequately met. Not only does the Federal Government but the 48 States have agencies a part of the duties of which are to insure that utilities, water, electric, telephone, or transportation, adequately serve the people within their service area. In this respect, we are no different from any other people. The fact that the Government owns this utility does not, it seems to me, as the gentleman from Mississippi has said, alter the fundamental obligation, even though the committee deigns to deny this utility has any such responsibility. Whether this Congress believes in public power or not, whether this Congress believes that the Government should own a utility or not is a moot question. Facts speak louder than words.

The TVA is an established fact. The gentleman from New York asked if the Government has any right to own a utility. Well, it does. The TVA is the largest integrated utility in the world and serves a vital part of America and is owned completely by the United States Government.

If this were a losing venture, if the rates were insufficient to make of this operation a financial success, then there would be some degree of embarrassment for those of us who are served by the agency to ask its owners, represented by this Congress, to augment its development. Such, however, is not the case. The TVA has been a phenomenal success not only in the matter of the service it has rendered but from the strictest and narrowest dollar and cents standpoint.

In the last fiscal year the TVA earned a net profit after depreciation of more than \$20,000,000. All of these earnings belong to the people of the United States of which the constituents of the gentleman from New York [Mr. Coudert] are a part.

How is it, the gentleman asks, that his taxpayers are called upon to subsidize this area? They are not. Last year on the investment which his people and my people alike have made in TVA more than a 5-percent return, after depreciation, was earned. The Government borrows the money at 2 percent, or thereabouts, and earns approximately 5 percent. How is that a losing proposition? How is it that the people of New York are subsidizing this area?

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield to the gentleman from Missouri.

Mr. PLOESER. I just want to observe at this point that the gentleman should recognize that the yardstick which he is laying down for actual costs is the yardstick laid down by TVA itself.

Mr. GORE. And approved by the Congress.

Mr. PLOESER. Well, in degree—only in degree. We have never had a judgment on the evaluation and division of the investment and the acquisition of assets. I do not think that the gentleman can take as an absolute yardstick the figures he has given with reference to earnings and profits. It is all right to assume that for the sake of the argument he is making, but it is an assumption and there is not anything well grounded on which he can base it.

Mr. GORE. I am not speaking on assumptions, I respectfully say to the gentleman, I am speaking of facts.

The committee, of which the gentleman is chairman, has submitted a report to this Congress in which it is stated that \$440,000,000 have been invested by the American people in the power system of TVA. With that statement I am in agreement. However, it must be recognized that 28 percent of that amount has been earned by the TVA itself from its operations and reinvested in an expansion of the system.

The CHAIRMAN. The time of the gentleman from Tennessee has again expired.

Mr. WHITTEN. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. GORE. Some \$97,000,000 has been earned as net profits by the TVA. The TVA belongs to the people of America. Whether we allow it to use its own profits for further development or require those profits to be paid into the Treasury and then appropriate money for further development makes little difference.

The fact stands that the TVA is a profitable, going concern that has been phenomenally successful, and although I respect the gentleman's sincerity, I deplore the fact that he would put a lid upon the further development of industry in that area.

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield to the gentleman from Missouri.

Mr. PLOESER. I did not say anything about putting such a lid on. The gentleman can assume that, too, if he wishes.

Mr. GORE. There again I am not speaking of assumptions; I am speaking of a brutal fact. Such is the recommendation of the committee report.

Mr. PLOESER. Well, show us the brutal fact, please.

Mr. GORE. The brutal part of it is that there you have an area whose development was for so long retarded, there you have an area of great Americans who are now looking up and aspiring, but with a per capita income still only 53 percent of the national average. Here you have an area that is making a growing contribution to the national economy, and yet, by the action of the gentleman's committee, if approved by the Congress, a lid is placed on the future development.

Mr. PLOESER. I hardly think so. I think the gentleman ought to take a look and see what TVA has done to themselves. They have almost sold themselves out of the market as far as priority customers are concerned. That is poor management. Why does not the

gentleman take a look at the chart on page 964? Why does he not discuss that? Your management has not been so holy down there. We have not denied you the development of any of these dams for power or hydroelectric facilities that go in. And who, by the way, is so holy in Tennessee that they must look to the other 47 States to see that they alone are guaranteed their welfare.

Mr. GORE. The gentleman has asked two questions to which I will reply. First, he asks why I did not look at the chart on page 964 and so. The answer to that is I have looked at it. The further answer is that that is the chart of Purcell Smith, and it conveys a wholly fallacious conclusion, and the unfortunate fact is that such a conclusion is the basis of the committee's report rather than depending upon the TVA, which knows about its power needs, its generation, and its supply.

Mr. PLOESER. Will the gentleman yield further?

Mr. GORE. I will be delighted to.

Mr. PLOESER. I do not think it is quite fair for the gentleman to try to impugn the motives of this committee. Your TVA group has not found fault with that chart and neither has the gentleman until now, except that he does not like the chart. But it clearly explains what has taken place. The TVA has not denied those proportions of power used, and I do not think the gentleman is going to deny those proportions of power used. If you are going to talk about some things, the majority of this committee can get just as brutal, to use the language of the gentleman.

Mr. GORE. I do not impugn the motives of the gentleman nor any other member of the committee, and I hope the gentleman does not think so, but I do deplore the fact that he has been misled by a presentation of facts twisted and couched for a purpose. The gentleman and his majority committee colleagues have reached their conclusion sincerely, of course, but it is nonetheless fallacious.

Mr. PLOESER. Where have we been misled? Does the gentleman deny the accuracy of that chart?

Mr. GORE. I do. I deny the accuracy of either one of the charts put in by Purcell Smith. It is special pleading.

Mr. PLOESER. Will the gentleman supply an accurate chart in lieu thereof for the committee?

Mr. GORE. If the gentleman means that I must supply the accurate amount of energy that the atomic-energy plant uses, no, I cannot.

Mr. PLOESER. No one has asked for that. Let us not be ridiculous. I asked the gentleman to supply a chart in lieu of this chart, which deals with the over-all division as between priority customers and others.

Mr. GORE. The full information cannot be presented except to include the amount of energy the atomic-energy plant uses because it, too, as well as other Federal agencies served is a preference customer. Such an exact chart can only be supplied by the revelation of information which the power companies did not have when they made their chart and

which neither the gentleman nor I have, and which I do not want.

Mr. PLOESER. We do have it. The committee was furnished it by the TVA. You are not really revealing anything regarding the Atomic Energy Commission by revealing the total amount of consumption of nonpriority users. The gentleman knows that. You could even reveal the exact amount of electric energy used at Oak Ridge and you would still give no atomic secrets. I am not asking the gentleman to do that. He does not know, so he could not do it. What I am asking the gentleman to do is supply a chart in lieu of that one which we might accept as factual.

Mr. GORE. Does the gentleman deny that the Oak Ridge atomic plant is a priority customer?

Mr. PLOESER. No; I do not deny that. I did not even make that statement.

Mr. GORE. It is not included in the priority customers on Mr. Smith's chart. Mr. PLOESER. Is the gentleman sure of that?

Mr. GORE. I am sure of that.

Mr. PLOESER. Can the gentleman prove it?

Mr. GORE. Yes; it is plain in the testimony, if the gentleman would read it.

Mr. PLOESER. I have read it, but the gentleman says it is inaccurate.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. WHITTEN. Mr. Chairman, I yield three additional minutes to the gentleman from Tennessee.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. GORE. I yield to the gentleman from Tennessee.

Mr. EVINS. The gentleman is making a very excellent statement. He has been a great champion of the TVA. While he is correcting the errors in the statements made by the gentleman from New York [Mr. COUDERT], may I ask him to answer this statement which he made. He stated that the municipalities and co-operatives are not interested in this matter. That is not a true or accurate statement.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. GORE. In view of the remarks of the gentleman from Tennessee, of course I will yield.

Mr. COUDERT. I happen to have the record right in front of me. I said they were not interested in the sense that they would not be affected, because there will be sufficient power available from the existing facilities and the proposed new hydro-generating facilities to supply their needs in perpetuity. The TVA, speaking at the hearing, stated that as of today only 30 to 33 percent of the power distributed by TVA was needed to supply the municipalities and co-ops. That is what I said.

Mr. GORE. I thank both gentlemen for their remarks. I deplore the effort of Mr. Purcell Smith to arouse sectional animosities and prejudice. He came before our committee with a huge chart, the large print over the top of which read, "Taxpayers' money used to lure industries." When I read the material

purporting to support the headline I found nothing more than reprints of advertisements which had appeared in certain magazines and newspapers under sponsorship and paid for wholly and entirely by the State of Tennessee. Many other States, perhaps all, do the same.

I asked Mr. Smith to name some industries that had moved from other States into Tennessee. He did not have the answer at his fingertips but said that he would put it in the record. He cited a certain industry, the Wolverine Tube Co., which he said had been lost as a prospective customer by one of his West Virginia clients.

I looked into that. Where did they move from? I found it was a Detroit concern, and that they never had had a plant in West Virginia. They had in mind locating a new plant somewhere. They looked at a great many sites in America, including West Virginia. They finally located in Alabama for several reasons, among which was availability of water transportation. If that is a test of losing a customer—somebody who comes and looks and then turns down the location—then I say that many a prospective customer has been lured away from this region.

Surely such a narrow appeal to sectionalism will not be entertained for long by the Congress. Development in any part of America is an asset to the entire Nation.

Certainly an area that played such a conspicuous part in war production, furnishing at one time 51 percent of aluminum for war planes, should not be cited an example of short-sightedness or have a ceiling placed upon its capacity to produce in the present or any future emergency.

Mr. PLOESER. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. COUDERT].

Mr. COUDERT. Mr. Chairman, I want to make quite clear the answer I made to the gentleman from Tennessee [Mr. EVINS]. I would like to have it clearly understood that my citation from the testimony was not from Mr. Smith, but from Mr. Wessenauer, one of the officials of TVA, who testified that only 30 to 33 percent of the present power distribution goes to co-ops and municipalities. Let me say further, in regard to the remarks of the other gentleman from Tennessee [Mr. GORE], who just had the floor, that the committee did not rely on the testimony of Mr. Smith. If he will examine the report, he will find that the committee relied upon the testimony of officials of the TVA, Mr. Clapp, and his associates.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PLOESER. Mr. Chairman, I was in hopes that we might be able to agree on concluding debate by 5:15 p. m. tonight, which would leave us 35 minutes more of debate. I wonder if we might not come to some agreement on concluding general debate.

Mr. WHITTEN. Mr. Chairman, the gentlemen on my side are very anxious to have an opportunity to speak for the TVA and are very strong advocates of the TVA. I would hate to limit their

time in view of the length of time that others of us have taken to debate this matter.

Mr. PLOESER. I believe the committee has rather well demonstrated the fact that we are not trying in any way to restrict debate.

Mr. WHITTEN. I fully appreciate that fact. The Chairman has been very gracious indeed.

Mr. PLOESER. If we can conclude debate shortly, I will ask then that the first paragraph of the bill be read, after which I will move that the committee rise. It is my understanding that our distinguished majority leader intends to ask unanimous consent that when the House adjourns tonight, we adjourn to meet at 11 o'clock a. m. tomorrow, so that we will be under the 5-minute rule when we meet in the morning.

Mr. RANKIN. Mr. Chairman, as a matter of fact, while the clock shows 20 minutes of 5, it is really 20 minutes of 4, so let us not get excited about the time.

Mr. PLOESER. My dear friend from Mississippi knows that I do not get excited in the first place. In the second place, time means little to me. Every Member of Congress knows that he works day and night until he finishes—and he never finishes. There is no concern about that except that there are other things to do besides debating TVA in the Congress. We have a heavy schedule this week. Could we agree on, let us say, 50 minutes?

Mr. WHITTEN. I do not like to ask for more than half of the time, but the gentlemen on my side are anxious to have 15 minutes apiece, and there are two of them who want to speak.

Mr. PLOESER. It is quite all right with me if the gentleman from Mississippi gets more time than I do.

Mr. WHITTEN. If we can agree that the two gentlemen on my side get 15 minutes each, that will be sufficient for our side.

Mr. PLOESER. Then that would restrict our side to 20 minutes. That is quite satisfactory.

Mr. WHITTEN. Let us agree on 1 hour, and if the two gentlemen on my side get 15 minutes apiece, that will leave the gentleman the full 30 minutes, which he can use in part or in whole.

Mr. PLOESER. That is more than generous. I agree to that.

Mr. Chairman, I yield 15 minutes to my distinguished colleague from Tennessee [Mr. JENNINGS].

Mr. JENNINGS. Mr. Chairman, I thank Purcell L. Smith, the lobbyist representative of the private power companies of this country, on his choice of battleground, his selection of weapons, and his disclosure of the deadly nature of his attack on the TVA and the 5,000,000 people who are wholly dependent upon that Agency for electric current.

In the name of private power monopoly, he seeks to take the industrial life and to forever limit the growth, progress and prosperity of the 5,000,000 people in an 80,000-square-mile area of our country in my State of Tennessee and in 6 other States.

I have read his testimony given as a lobbyist in the Capitol. He is paid

\$65,000 per year plus his expenses. These private power companies are paying him a sum yearly equal to that paid to the President of the United States. Evidently, he is as urbane a gentleman as ever sought to cut the industrial throats of 5,000,000 American citizens and to sink a governmental project that benefits all the people of this country. These are the avowed objectives of Smith and they are set out in the Report. His testimony and that of his confederates reveal them.

The report of the committee accompanying the bill in this cause in discussing the proposed steam plant discloses the fact that unless this steam plant is constructed that—

Although substantial additional power can be generated by installation of new hydro generators, it—

The TVA—

is approaching the limit of the amount of electricity which can be generated by water power harnessed primarily for purposes of flood control and navigation. The proposal to construct this steam plant is based upon the recognition of these two factors, and is intended to provide additional generating capacity to meet the currently estimated requirements of the foreseeable future for electric power in the Tennessee Valley area (committee report, p. 12).

The committee then states that the question here involved is one of legislative intent on the part of Congress when it created the Tennessee Valley Authority, and under this heading of the committee's report it is sought to confine the benefit of power produced by the Tennessee Valley Authority to "States, counties, municipalities, and cooperative organizations of citizens and farmers" and to deny its use to the industries in the area upon which the people residing therein must depend for a livelihood.

Under the next heading the position is taken that this steam plant is unnecessary for these privileged customers of the Tennessee Valley Authority.

Under the next heading, namely, "No obligation to supply industries" in the area rests upon the TVA is his insistence.

Under the next heading of the committee report "Constitutional question" it is stated that—

There is presented a serious question of whether the TVA has a constitutional right to engage commercially in the development and sale of power.

And to sustain this unprecedented position, supported by neither the law nor the facts, statements made by the Solicitor General of the United States, Mr. Stanley F. Reed, now Associate Justice of the Supreme Court, in an argument which he made before the Supreme Court in the Ashwander case are cited. This excerpt from what Mr. Reed said on that occasion is without any authority in law whatever and its citation but establishes the weaknesses of the position of those seeking to deny the long established powers of the TVA. I shall shortly demonstrate that there is no constitutional question in this matter and that no constitutional challenge can be made against the appropriation for or construction of this steam plant.

It is then stated that "Chambers of commerce oppose steam plant." All of

the chambers of commerce throughout the 80,000 square mile area affected and in adjoining sections of the country approve the steam plant.

And now comes a disclosure of the real opposition to the construction of this steam plant in the heading appearing on page 16 of the report, "Private utility companies oppose steam plant."

The effort being made by these private utility companies through their \$65,000-a-year plus expenses lobbyist is an attempted invasion of the area served by the TVA and an unblushing attempt to destroy all further industrial growth and development in that great section of our country. To accomplish this purpose these private power companies seek to hamper and destroy the output of aluminum, atomic energy, and other vital war materials whose production is wholly dependent upon electric power produced by TVA. The statement is made that—

TVA and the Federal Government have neither constitutional nor statutory authority, and therefore, no obligation to supply electric energy required by occupants of the Tennessee Valley other than such surplus energy as is generated as an incident to the water power produced by the construction and operation of navigation and flood-control facilities.

Then, it is stated that the authorization of this steam plant would set a far-reaching precedent.

The original TVA Act of May 18, 1933, created the Tennessee Valley Authority as a corporation for the purpose of maintaining and operating the properties now owned by the United States in the vicinity of Muscle Shoals, Ala., in the interest of the national defense and for agricultural and industrial development, and to improve navigation in the Tennessee River and to control the destructive flood waters in the Tennessee River and Mississippi River Basins.

That the corporation thus set up should not be hampered, or its purposes defeated, the act provided:

(f) No director shall have financial interest in any public utility corporation engaged in the business of distributing and selling power to the public. * * * Nor shall any member have any interest in any business that may be adversely affected by the success of the corporation as a producer of concentrated fertilizers or as a producer of electric power.

By the original act it is further provided that the corporation—

(i) Shall have the power to acquire real estate for the construction of dams, reservoirs, transmission lines, power houses, and other structures, and navigation projects at any point along the Tennessee River, or any of its tributaries. * * *

(j) Shall have power to construct such dams and reservoirs in the Tennessee River and its tributaries, as in conjunction with Wilson Dam, and Norris, Wheeler, and Pickwick Landing Dams, now under construction, will provide a 9-foot channel in the said river and maintain a water supply for the same, from Knoxville to its mouth, and will best serve to promote navigation on the Tennessee River and its tributaries and control destructive floodwaters in the Tennessee and Mississippi River drainage basins; and shall have power to acquire or construct powerhouses, power structures, transmission lines, navigation projects, and incidental works in the Tennessee River and its tributaries, and to unite the various power in-

stallations into one or more systems by transmission lines.

By section 831f of the act as carried into the United States Code, page 1792, it is provided:

In order to enable the Corporation to exercise the powers and duties vested in it by this chapter—(a) The exclusive use, possession, and control of the United States nitrate plants numbered 1 and 2, including steam plants, located, respectively, at Sheffield, Ala., and Muscle Shoals, Ala., together with all real estate and buildings connected therewith, all tools and machinery, equipment, accessories, and materials belonging thereto, and all laboratories and plants used as auxiliaries thereto; * * * and all other property to be acquired by the Corporation in its own name or in the name of the United States of America, are entrusted to the Corporation for the purposes of this chapter.

By section 831h-1, it is provided:

The Board is further authorized, whenever an opportunity is afforded, to provide and operate facilities for the generation of electric energy in order to avoid the waste of water power, to transmit and market such power as in this chapter provided, and thereby, so far as may be practicable, to assist in liquidating the cost or aid in the maintenance of the projects of the Authority.

That it is contemplated the TVA shall build steam generating plants and that it is authorized so to do is established by section 831n of the original act as carried into the United States Code, page 1736:

In the construction of any future dam, steam plant, or other facility, to be used in whole or in part for the generation or transmission of electric power the Board is authorized and empowered to issue on the credit of the United States and to sell serial bonds not exceeding \$50,000,000 in amount, having a maturity not more than 50 years from the date of issue thereof.

The authority of the TVA to construct and operate a steam generating plant is further established by the power conferred upon it by the amendment to the act of July 26, 1939, authorizing the TVA to acquire the properties of the Tennessee Electric Power Co., which included steam generating plants at Nashville, Hale's Bar, and Parkville, and other small plants, which larger plants have since been operated by the TVA when the occasion demanded.

Public Resolution No. 95, approved July 31, 1940, and the pertinent parts of which reads as follows:

Resolved, etc., That the sum of \$25,000,000 is hereby appropriated, out of any money in the Treasury not otherwise appropriated, as an additional amount to carry out the provisions of the Tennessee Valley Authority Act of 1933, approved May 18, 1933, as amended by the acts approved August 31, 1935, and July 26, 1939, including the funds necessary to begin construction of a dam on the Holston River near Jefferson City, Tenn.; to begin installation of two additional electric generating units at Pickwick Landing Dam, Tenn.; and to begin construction of steam electric generating facilities with a rated capacity of approximately 120,000 kilowatts in the area served by the Authority.

It is a further recognition by Congress of the power of the TVA to construct and operate a steam generating plant to supplement and firm up its hydroelectric power, in the enactment by Congress of Public Resolution 95. This resolution was

passed after President Roosevelt had declared that there existed a limited emergency.

Today we are technically at war with Germany and Japan and are waging what is generally termed a "cold war with Russia."

Section 14 of the original act, after providing for an allocation of the cost of Wilson Dam, Norris Dam, and the Muscle Shoals nitrate plants, the only projects already constructed or specifically in contemplation when the TVA Act was passed, provides further:

In like manner, the cost and book value of any dams, steam plants, or other similar improvements hereafter constructed and turned over to said board for the purpose of control and management shall be ascertained and allocated.

It is thus seen that the appropriation for and construction of the proposed steam plant at New Johnsonville, Tenn., is authorized both by the Constitution and by the Tennessee Valley Authority Act, as amended.

Neither the lobbyist, Purcell L. Smith, nor any of the power companies he represents, can challenge the action proposed to authorize the construction of this steam plant. On page 1014 of the hearings, Mr. R. T. Jackson, attorney for the private power companies, admits that neither he nor any power company can challenge the constitutionality of the construction of said power plant. I now quote his words:

Consequently if your committee rules the appropriation for this steam plant, and the Congress ultimately does so appropriate, no one can invoke a judicial determination of whether that action was in excess of constitutional authority.

The establishment by Congress of the TVA as the sole source of electric power obtainable by the 5,000,000 people who within the 80,000-square-mile area within Tennessee and six other States, creates a moral and legal duty on the part of the Federal Government to expand its power facilities to keep step with the normal development and power demand of these people. Especially is this true when to do so will not only increase the income of the people dependent on the TVA for power but will increase the income of the Federal Government from the sale of such power.

It is said in the committee's report that the building and operation of a steam plant is not within the power of the TVA, not authorized by the law, that the act itself is unconstitutional. There is an opinion embodied in this report. It is an interesting document. It is as long as the tail of Halley's comet and every bit as obscure and foggy.

Let us get above the fog now and get up to something really worthwhile. I call your attention to a deliverance by the greatest judge who ever sat on the Supreme Court of this country, John Marshall, in which he held in the case of McCulloch against the State of Maryland:

Although among the enumerated powers of government we do not find the word "bank" or "incorporation," we find the great powers to lay and collect taxes, to borrow money, to regulate commerce, to declare and conduct a war, and to raise and support

armies and navies. The sword and the purse, all the external relations, and no inconsiderable portion of the industry of the Nation, are entrusted to its government. It can never be pretended that these vast powers draw after them others of inferior importance, merely because they are inferior. Such an idea can never be advanced. But it may with great reason be contended that a government entrusted with such ample powers, on the due execution of which the happiness and prosperity of the Nation so vitally depend, must also be entrusted with ample means for their execution.

The government which has a right to do an act, and has imposed on it the duty of performing that act, must, according to the dictates of reason, be allowed to select the means; and those who contend that it may not select any appropriate means, that one particular mode of effecting the object is excepted, take upon themselves the burden of establishing that exception.

Let the end be legitimate, let it be within the scope of the Constitution, and all means which are appropriate, which are plainly adapted to that end, which are not prohibited, but consist with the letter and spirit of the Constitution, are constitutional.

Under the property clause of the Constitution, under the general welfare clause of the Constitution, under the commerce clause of the Constitution, under the national defense clause of the Constitution, under all of those provisions, the United States Government can build and operate steam generating plants to make profitable the hydroelectric plants it owns in the TVA system. Embodied in the TVA Act, is the express purpose on the part of the Government to benefit, to advance and to make richer, fuller, and more profitable the agricultural and industrial life of my section of this country.

The power of the Federal Government to build a steam plant for the generation of electric current to firm up its supply of hydroelectric current cannot be successfully challenged on constitutional grounds.

TVA has the clear statutory authority to construct and operate this steam plant.

This plant is of vital importance to the farmers, businessmen, the laboring people, and veterans, and, in fact, to all the people of the Second Congressional District, the State of Tennessee, and this entire region. This steam power plant will have three generating units, each capable of producing 125,000 kilowatts of power, or a total of 375,000 kilowatts of power when the plant is completed. If Congress authorizes the construction of the plant the total cost of which will be \$54,000,000, the first unit will be in operation in the fall of 1951, the second in the spring of 1952, and the third shortly thereafter.

The power produced by this plant is absolutely essential to meet the ever increasing demand for electric current due to the general economic growth of this region of our country, and for national defense.

Within the last 2 weeks the far-seeing, wise, patriotic, and universally respected Speaker of the House of Representatives, JOSEPH W. MARTIN, JR., has stated that our greatest defense, our greatest weapon of defense and of offense is an air power so strong that it can raise an umbrella of air power above this country and carry war to any power that dares attack us.

You cannot build planes without aluminum. You cannot have aluminum without electric current, and at this plant in my district only sufficient current can be obtained from TVA. The statement has been made here that the Government is subsidizing that plant. I remember that in 1910 the then Congressman from the Second District, Richard W. Austin, interested people who were then engaged in the manufacture of aluminum to come to Blunt County and buy power sites, and in 1913 the first pot, two rooms, of that plant were built. It obtained its limited amount of power from the Knoxville Power Co. Then it built from time to time five great dams upon the Little Tennessee River and its tributaries, and when this Second World War came I saw it expand its facilities until its production of aluminum was stepped up 700 percent. I went into that plant and saw 13,000 men and women, boys and girls, toiling in the production of the aluminum that made possible the construction of planes that were used over every battlefield around the world. Not only that, I saw those great stalwart men from the hill country there about Marysville sweating in those pot rooms until they had to take salt tablets with the water they drank in order to supply the salt they sweated out. They not only projected their labor and their know-how above every battlefield around the world, but they sent their boys into that conflict. Some of them died in battle.

Those who oppose this appropriation say by their action that there should be no further industrial development, no further increased agricultural production, no further increase of the productivity, of the economy of this region. They take the position that the industrial system, the farm progress, the prosperity of this section of our great country has been finished; that it is full grown; that the energy and capacity of our people must be put in a straight jacket; and that any further effort to expand or make progress by the people of this region through the use of electric energy shall be strangled by the arresting hand of greedy private monopoly. This assault upon the prosperity, the development, the industrial output, the coal mines, the copper mines, the zinc mines, the greatest aluminum plant in America, other defense plants and the fabulous \$2,000,000,000 atomic energy plant at Oak Ridge, is being waged by selfish men who would cripple and destroy any further progress, any further development of national strength in this region. And hence it is the TVA that is under heavy fire from the private utilities and their allies.

Mr. JOHNSON of California. Mr. Chairman, will the gentleman yield?

Mr. JENNINGS. I yield.

Mr. JOHNSON of California. I wish to point out in line with the gentleman's argument that the very fact that in the act, section 20, the word "preference" is used as applying to cities and States, shows that other customers like the ones the gentleman mentioned, were intended to be served by this utility.

Mr. JENNINGS. The gentleman is absolutely right.

Now that we may thoroughly understand just what is involved in this question:

What is the TVA? It is an accomplished fact. This agency was created and now exists by an act of Congress passed May 18, 1933, which has since been amended. It is a corporation set up by the Congress for the purpose of maintaining and operating the properties then owned by the United States in the vicinity of Muscle Shoals, Alabama. It was created in the interest of national defense and to develop the agricultural and industrial resources of the region, to improve navigation on the Tennessee River, and to control the destructive flood waters on the Tennessee River, its tributaries and the Mississippi.

The construction of the TVA dams could not have been undertaken by private companies. They were constructed for a threefold purpose: to make navigable the Tennessee River, to control the destructive floodwaters of the Tennessee River, its tributaries, and the Mississippi, and to develop hydroelectric power.

The Federal Government from time to time has spent billions of dollars along the eastern and western seacoasts of this country, on the Gulf of Mexico, on the Great Lakes, and on the rivers of our country to improve navigation and to prevent floods. The first extensive expenditure of money by the Federal Government for these purposes on the Tennessee River and its tributaries began with the establishment of the Tennessee Valley Authority.

The dams constructed by this agency since its organization on the Tennessee River are: Kentucky, Chickamauga, Pickwick Landing, Wheeler, Gunter'sville, Watts Bar, Fort Loudoun.

The dams constructed by the Authority on the tributaries of the Tennessee River are: Norris, Hiwassee, Cherokee, Douglas, Fontana, Appalachia, Nottly, Ocoee No. 3, and Chatuge.

The Authority now has under construction the Watauga and the South Holston Dams in upper east Tennessee.

It purchased from power companies the following dams: Hale's Bar, Ocoee Dams Nos. 1 and 2, Blue Ridge, and Great Falls.

As a result of the construction of the dams now completed the Tennessee River is navigable the year round from Knoxville, in my district, to the Gulf of Mexico, to the upper reaches of the Mississippi and its tributaries, and to the Great Lakes. With the completion of the Watauga and South Holston Dams the floodwaters of the Tennessee will be wholly under control.

The Government has invested in this project approximately \$800,000,000. A portion of this investment is allocated to flood control and navigation, the balance to power production and distribution.

The great supply of electric power made available by the Authority led to the establishment of the Oak Ridge atomic-energy plant by the Government for the production of the atomic bomb in Anderson and Roane Counties in the Second Congressional District. The atomic

plant was located in this section of Tennessee for the following reasons:

First. Oak Ridge is far from the sea coast, surrounded by mountains, by the Clinch River and by hills.

Second. Because of the vast amount of electric current which TVA was able to furnish.

Third. Because of the unquestioned loyalty of our people who worked on this project.

More than 1,000 scientists were engaged in the production of the bomb and more than 100,000 people worked on the project.

In addition to this, because of TVA electric current, the Aluminum Co. of America, which itself has built and operates five great hydroelectric dams near its Alcoa plant in Blount County within 16 miles of Knoxville, Tenn., increased its output of aluminum for war purposes 700 percent. And it may be said without the fear of successful contradiction that thousands of American boys are alive today who would have been killed in this World War but for the fact that the Aluminum Co. of America, at its plant in Alcoa, was able to turn out all of the aluminum needed for the production of war planes, and that at Oak Ridge was made and prepared for use the atomic bomb.

The Tennessee Valley Authority, all of its dams, steam plants, hydroelectric installations and its transmission lines are the property of all the people of the United States. It is not a sectional institution. It is a national institution. And the unhallowed hands of Mr. Smith and his power satellites should not be permitted to arrest or stifle its further development, nor to say to the more than 5,000,000 people who are wholly dependent on this great agency for electric current, "Thus far shall you progress and develop, and contribute to the national welfare and the national defense, but no farther shall you go."

It must be remembered that the fight being waged ostensibly against TVA is in reality and in effect a fight against the people who are served by the TVA and who are wholly dependent upon it for electric current. Not only is the TVA under attack but the people who live in this area are under attack. What has the Tennessee Valley Authority accomplished? What is the need for it? What is the need for its expansion? Who does it serve?

The most essential tool of modern progress is electric energy. A more profitable agriculture and a more productive soil go hand in hand with the ability of the farmer to grow more crops on fewer acres. To do this he must not be a one-crop farmer. He must make two blades of grass grow where only one grew before. He must grow two to five bushels of corn where he formerly only grew one. Land, the fertility of which has been exhausted by successive crops of corn, cotton, and tobacco, must be sowed to clover, to grass, to small grains. To achieve these ends the farmer must have electricity to operate milking machines, to furnish water, both hot and cold, to his dairy barn and milk house, to furnish him cold storage and to lighten the toil of his wife in the home.

In 1933 when TVA had its beginning only one farm in 28 in the region had electric service. Today one-half the farms have electric service.

In 1933 all the farms in the area consumed a total of only 10,000,000 kilowatt-hours a year. In 1947 these same farmers used 300,000,000 kilowatt-hours. To increase profitable diversified farming, and to insure the region's prosperity the farms alone will require an ever increasing supply of electric current.

WHAT OF THE INDUSTRIAL DEVELOPMENT OF THE TENNESSEE VALLEY?

For the people of this region to achieve and retain a permanent economic growth and prosperity they must build upon a stronger and more profitable system of agriculture side by side with a sound and profitable industrial development.

Within the 15 years since the TVA was established more than 1,800 new manufacturing and processing plants have been established in the Tennessee Valley and in the adjoining areas served by TVA power.

The hue and cry which has been raised by the enemies of the people who live in this section of our country that the TVA has been robbing other sections of their industries and has been inducing them to move to Tennessee and into the adjoining area is not true. The industrial growth of this area had begun long before the advent of the TVA. It has expanded greatly since the TVA made abundant electric energy available.

Within the last 6 years approximately 150 plants making furniture, and 9 manufacturers of paper and allied products have been established in the area.

More than 225 food-processing plants, including more than 90 freezer-locker and cold-storage plants have been built, and 16 leather-manufacturing plants have come into existence. None of these plants moved into the area from other sections of the country. Each and all of them are contributing to the balanced prosperity and economy of our people.

The Tennessee Valley is still predominantly a farming area. Within the last 12 years employment in privately owned and operated manufacturing plants has increased by 161 percent. The national gain in such employment during this period is only 131 percent. The young men and young women of this section are thus afforded the opportunities for profitable employment that has heretofore been denied them. The boys and girls from this section of the country who heretofore have been forced to go to distant States to obtain profitable employment are now enabled to remain at home and use their energies and their abilities to upbuild and develop their home land.

In 1933 the per capita income in the Tennessee Valley was only 40 percent of the national average. In 1945 it had risen to 58 percent of the national average. This means that in 1945 our people had \$680,000,000 more money than they would have had if they had been held down to the low rate of income which they received from their labor in 1933. They were thus enabled to buy more of the products of the manufacturing plants in other sections of the

country as a result of this increase in income. And they gave more support to the new local enterprises that have been built in their midst.

And by the same token, the individual income Federal taxes paid by the people of the valley were proportionately increased.

In 1933 the total individual income taxes paid from the seven States in which the Tennessee Valley lies was only 3.4 percent of the national total. In 1946 it had increased to 6 percent. As a result, the people of this section are now bearing a larger share of the total cost of the Federal Government.

The demand for power is daily growing throughout this region. The TVA has at this time on order 11 hydro generating units which, when obtained, it will install in existing dams. It is building two new dams, the Watauga and the South Holston.

The Aluminum Co. is installing a new unit at one of its dams. These installations will have a capacity of 440,000 kilowatts.

The Authority has entered into an agreement with the Department of the Interior to market the power from three dams now being built in the Cumberland River Valley by the United States Corps of Engineers. These dams will produce 261,000 kilowatts of power. All this increase in hydroelectricity, bringing the capacity of the TVA system to 3,270,000 kilowatts, will not meet and take care of the rising demands for power by the people and their industries in the region.

The TVA has the responsibility as the sole power producer and supplier for a region of 80,000 square miles to meet the needs of more than 800,000 existing consumers and more than 100,000 additional farms within the next few years.

The \$54,000,000 steam plant, the initial work on which is proposed in TVA's budget for the year 1949, will be required to meet the above demands for power on the part of this region, its 800,000 existing consumers and the 100,000 additional farms to be served, if they are served with electric current.

It is being said that the TVA should rely upon such steam plants as it now owns and operates and upon its hydroelectric installations that are now in operation and that it proposes to install and put in operation. But it must be remembered that there are periods of drought when rainfall is not up to the average. When a drought cuts down the ability of a hydroelectric system to produce electric current, then the steam-power plant steps in and maintains the power requirements during dry years. The greater the capacity of the hydroelectric plants the greater must be the capacity of the steam plants to maintain the increased requirements of the users of electric current.

The Second District of Tennessee, which I have the honor to represent in the Congress, is comprised of Anderson, Blount, Campbell, Knox, Loudon, Morgan, Roane, Scott, and Union Counties. The district has a land area of 3,815 square miles, and its population in 1940 was 389,000. It today has a population of 460,000, an increase of 71,000.

In 1933 there were 219 manufacturing plants in the district. In 1946 there were 421, including the atomic energy plant at Oak Ridge, an increase excluding Oak Ridge of 118—39.2 percent.

In 1933, 20,694 persons were employed in manufacturing.

In 1946 58,252 persons were so employed; without Oak Ridge 36,599 were employed. The increase exclusive of Oak Ridge is 10,428—39.8 percent.

In 1930 24,913 persons were employed in agriculture. In 1945, 22,998 were so employed, a decrease of 11.2 percent.

In 1939 35,404 persons were employed in trade and service. In 1946 50,362 were so employed—an increase of 14,858—42.2 percent.

In 1939 retail sales were \$79,657,000. In 1946 they were \$189,732,000—an increase of \$110,076,000—138.2 percent.

In 1940 the people of the district had a spendable income of \$117,065,000. In 1946 they had a spendable income of \$341,313,000—an increase of \$224,238,000—191.6 percent.

In 1941 they had total bank deposits of \$55,138,000. In 1946 they had bank deposits of \$224,530,000—an increase of \$169,392,000—307.2 percent.

AN APPEAL TO SECTIONAL PREJUDICE

The private power companies and their \$65,000 per year lobbyist, Purcell Smith and a segment of the United States Chamber of Commerce say that if the TVA can shortly no longer supply the needs of our expanding industrial development and the 100,000 farmers of our section who are clamoring for electricity on their farms, and our increasing population, that the electricity needed by our industrial plants and our mines should be taken from them and sold exclusively to individual consumers. In other words, it is proposed that there shall be no further growth in Tennessee and in this congressional district. The men and women who work for a living cannot buy electricity if the enterprises which employ and pay them are shut down. There can be no more new plants, no enlargement of those we have if they cannot buy electric current. The TVA is our only source of power.

Purcell Smith and the enemies of the growth and prosperity of our people are making war on the owner of every business enterprise big and little in our midst. They are fighting the farmers and the wives and children of the farmers. They will, if they can, stop the growth of our industrial plants and the building of new enterprises that give employment to our people. They are the enemies of our working people.

A week never passes that I do not receive an appeal from constituents for help in obtaining electric service. More than 50,000 soldiers, sailors, and marines from this congressional district served in this World War. Eleven hundred and ninety-one of them were killed in action.

The more than 50,000 of these veterans are vitally interested in the industrial, agricultural, commercial, educational, moral, and spiritual development of this congressional district. They need electric current to light their homes, to read and study, to equip their farms and to build new enterprises.

The Nation is being forced to build the greatest Air Force in the world to preserve the peace and, if war is thrust upon us, to raise an umbrella of air power over our land, and carry the war to any enemy that may attack us. Air power means more than 7,000 of the best planes in the world. Planes are made out of aluminum. Aluminum cannot be manufactured without vast quantities of electricity.

During the war the Aluminum Co. at Alcoa in Blount County employed 13,000 men and women. It spent over \$300,000,000 of its own money expanding its production 700 percent.

The metal turned out was in the planes our boys flew over every battlefield around the world.

The only son of Col. A. D. Huddleston, the superintendent of the great Alcoa plant in our midst, flew 98 of these planes from this country across the Atlantic and one across the Pacific and three to India and across the Himalayas to China. With our air power we blasted our victorious march to Berlin and to Tokyo.

Today our far too small armed forces in Germany, Austria, China, Korea, and Japan are face to face with Russia's huge armies. If a land Pearl Harbor occurs, the man or the men who cripples or destroys our power to make aluminum and to build and man planes will be forever odious.

This continued development of this section of our country is vital to its defense. The Nation needs our coal, our iron, our steel, zinc, copper, the atomic bomb and all the products of our skill, labor, and farms.

Those who seek to stop the growth and strangle the development of our people, are fighting not only the TVA. They are the enemies of our people who have poured out their treasure like sand and their blood like water in the defense of this country.

Those who propose to deny our people the right to prosper and to grow might as well try to crowd a full-grown eagle back into the shell from which it was hatched. There is no more favored region in this land than eastern Tennessee. Our section is endowed with great natural resources, our people are energetic, industrious, and they are equal in intelligence, character, and patriotism to any other people in the land. To deprive them of their right to grow, to develop, to prosper, and to enjoy in their homes and schools, their churches, the modern conveniences which can only be had by the use of electric current is a crime against the Second Congressional District and against this country.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. MAHON. Mr. Chairman, I yield 15 minutes to the gentleman from Tennessee [Mr. KEFAUVER].

Mr. KEFAUVER. Mr. Chairman, the President's budget for 1949 contains a recommended item of \$4,000,000 which would permit TVA to commence construction of a steam plant to be located at New Johnsonville, Tenn., in the mid-western part of the TVA power system. The plant would have three generating units, each capable of producing 125,000

kilowatts of power, and is estimated to cost \$54,000,000. The first unit is scheduled for operation in the fall of 1951, the second for the spring of 1952, with the third following shortly thereafter. Power from these units, together with the capacity of new hydro units already scheduled for installation, is essential to meet the rising demand for electricity resulting from the general economic growth of the region.

During the 9 years that I have been in Congress I do not think Congress has been faced with any problem that is of greater importance to a large section of our Nation or, indeed, to the Nation itself, domestically, than the one we are debating here today. The question involved is of great importance to a large area of our country; 80,000 square miles affecting all of the State of Tennessee, and substantial parts of six other States. The question involves the future welfare of 5,000,000 people of the United States. The issue to be settled here today goes to the development of the entire country. Our progress is a matter of great pride in the Tennessee Valley, and it should be to the Nation itself, that we have made great progress since the advent of the TVA. When the TVA came into being we only had 3 percent of the farms electrified. Now the farmers in our section have 50 percent of their farms electrified. And, another matter of great importance to the whole Nation, Mr. Chairman, is the fact that in 1933 the people of the Tennessee Valley were paying only 3 percent of the taxes of the Nation. Largely as the result of the healthy development in that section the people of the Tennessee Valley are now paying 6 percent of the taxes of the Nation, and yet this iniquitous private Power Trust says that it is not in the national interest that our progress be continued. But, Mr. Chairman, the Tennessee Valley section and the people in the Tennessee Valley are still below the national average in per capita income. We are just beginning to catch up. Our section is still predominantly agricultural. We have many new industries which have grown up in our section. They have grown up there and not moved from other parts of the United States.

Is it in the public interest, Mr. Chairman, that when we are just beginning to get on our feet, when we are beginning to bear a larger share of the national tax burden, when we are getting our per capita income raised to a decent amount, that at the behest of the private power lobby of this country an economic lid is put over our further development? It seems to me that rather than go along with the recommendation of the private power lobby in this matter, this Congress, on both sides of the aisle, ought to be proud of the record that has been made in the Tennessee Valley. That should be a reason for gladness; it should be a reason to give us encouragement. Since we have made such a good record we should be asked to go on and further raise our standard of living and further increase the contribution we are making to the whole United States. This should be your attitude instead of saying to us, "You have gone this far and you can go no further."

POWER AND PROGRESS IN THE TENNESSEE VALLEY REGION

When the Seventy-third Congress established TVA in 1933, the purpose of the act was to develop the area's resources for the benefit of the people, to promote the prosperity of their enterprises, to raise the level of their income, to strengthen the entire Nation by making the valley more productive. At that time, the Tennessee Valley was one of the low-income areas of the Nation, although it was richly endowed with natural resources.

In 1933 the Tennessee River was almost useless for navigation; its power resources were undeveloped; its turbulent floodwaters were a danger both in the valley and beyond the river's mouth along the Ohio and lower Mississippi Rivers. The economy of the region was almost wholly based on agriculture, and the land which supported the people was approaching exhaustion. Great forests and farm woodlands alike were depleted. Abandoned farms, barren and eroded hillsides scarred the landscape and foreshadowed a future of poverty and despair.

To reverse this trend, to control the river, to improve the land and forests, to make a stronger region and a stronger nation by wise use of the Nation's resources, TVA was created.

TVA PROVIDES THE REGION WITH THE ESSENTIAL TOOLS FOR ECONOMIC PROGRESS

Power is one of the essential tools of modern progress. In the Tennessee Valley where a stronger agriculture and a more fertile soil depend upon the ability of the individual farmer to reduce the acres he formerly planted to row crops and to establish instead a system of diversified farming, electricity is vital.

Worn-out land cannot be taken from corn and cotton and tobacco, and planted with clover and grass and small grains unless the soil-conserving crops can earn their share of the farmer's income. They are not fully effective unless the farmer can have electricity for milking, freezing, cold storage, and all the other uses that a diversified system of agriculture requires in order to succeed.

Little by little, the farmer is getting power in the Tennessee Valley. In 1933, when TVA began, 1 farm in 28 had electric service. One in two is served today. In 1933, all the farms in the area used a total of only about 10,000,000 kilowatt-hours a year; last year some 300,000,000 kilowatt-hours were consumed. They must use much more to provide the stable diversified agriculture which the region's prosperity demands.

THE TENNESSEE VALLEY DEVELOPS INDUSTRIALLY

Economic growth in the Tennessee Valley not only rests on a stronger agriculture but on a sound industrial development, for the burden on the land for the support of the people must be reduced. It has been reduced since 1933. In the 15-year period, more than 1,800 new manufacturing and processing plants have been established in the Tennessee Valley and in the adjoining areas served by TVA power.

Many of these new plants are directly related to the change in agricultural and forest and woodland management. Be-

tween 1940 and 1946, for example, nearly 150 plants making furniture and finished timber products, and 9 making paper and allied products, have been established in the area. More than 225 plants dealing with food and kindred products—including over 90 freezer-locker and cold-storage plants—have been set up, and 16 plants engaged in leather and leather goods manufacture have appeared. Most of these are relatively small enterprises, none of them have moved from any other section of the country, and all of them together combine to give a better balanced economy in the region.

Although this region is still primarily an agricultural area, between 1933 and 1945 employment opportunities in privately operated manufacturing establishments increased by 161 percent. The national gain was 131 percent, but this valley in its more rapid advance began to catch up a little and to offer its youth more nearly average opportunities for profitable employment. Per capita income in the valley was only 40 percent of the national average in 1933. By 1945 it rose to 58 percent of the national average. In round dollars, that increase in income meant that in 1945 the people of the valley had \$680,000,000 more than they would have had if they had continued to be only 40 percent as productive, in terms of earnings, as the rest of the Nation. They bought more of the products of the manufacturing plants of other regions as a result, and they supported more of the new local service enterprises. In the same way, the proportion of individual Federal income taxes paid by the people of the valley has increased. In 1933 the total of such taxes paid from the seven States in which the valley lies was only 3.4 of the national total; in 1946 it amounted to 6 percent. The valley is bearing a larger share of the total cost of the Federal Government.

THE PRESENT TVA POWER SYSTEM

At the present time, to meet the region's needs, the TVA power system has a total installed generating capacity of 2,571,000 kilowatts, 2,121,000 kilowatts in hydro and 450,000 kilowatts in steam. The hydro includes 311,000 kilowatts at dams owned by the Aluminum Co. of America but operated under TVA's direction to achieve the benefits of integrated operation.

To meet growing loads, TVA already has on order 11 hydro generating units to be installed in existing dams and is building two new dams, Watauga and South Holston. The Aluminum Co. is installing a new unit at one of its dams. These installations will total 440,000 kilowatts in capacity. In addition, TVA has entered into an agreement with the Department of the Interior to market the power from three dams under construction in the Cumberland Valley by the United States Corps of Engineers, which will have 261,000 kilowatts of installed capacity.

But all this increase in hydro electricity, an increase which will bring the capacity of the integrated system to a total of 3,270,000 kilowatts, is not enough to meet the rising demands for power

in the region. To carry out its responsibilities as the sole power supplier for a region of 80,000 square miles, to meet the requirements of more than 800,000 existing consumers and more than 100,000 additional farmers to be served in the next few years, the additional steam plant proposed in TVA's budget for 1949 will be required to supplement the power production capacity of the scheduled hydro installations.

THE STEAM PLANT WILL BALANCE HYDRO CAPACITY

In addition to the regulated output which the hydro plants maintain even during extended dry periods, the hydro capacity can produce large amounts of additional power when streamflow conditions are good. In a predominantly hydro system, therefore, the primary function of steam plants is to provide a portion of the power requirements during dry years—to firm up the hydro power which is not continuously available then.

The greater the extent to which the hydro power is developed, the greater the quantity of steam power which must be supplied during the dry periods. For this reason the proportion of steam capacity to hydro capacity should be expected to increase as the development of the hydro resources of a region is carried forward.

In the Tennessee Valley the proportion of generating capacity represented by steam plants, which was nearly one-third in 1936, has been decreasing instead of increasing, because TVA has been building hydro plants so rapidly and has built but one major steam plant. TVA's Watts Bar steam plant brought the steam capacity of TVA's service area up temporarily to a little more than 25 percent of the total, but the general downward trend has now carried the proportion well below 20 percent. With the further additions of hydro capacity scheduled for the next few years, the proposed New Johnsonville steam plant will bring the steam capacity up to slightly over 20 percent of the total generating capacity of the area.

THE RISING POWER DEMAND ON THE TVA SYSTEM

This new steam plant appears to be the individual project which the private power companies have selected as the occasion for an all-out assault against TVA and against the people of the Tennessee Valley. These are not competing power systems speaking, wisely or unwisely striving to protect an investment made on franchise from the people. They have no properties in the area concerned. From 1933 to 1940 the people acted to withdraw from the private power companies the privilege of supplying their electric service in the future. They determined to acquire and thereafter to own and manage their own systems of power distribution and to purchase the power they required at wholesale from TVA. The vengeful private companies now propose that these publicly owned systems should have a limit set on the region's power supply, that a ceiling on its progress should be fixed.

Private companies do not, and they cannot, argue that the additional capacity is not required. All over this Nation power demand is pressing hard upon supply. In some parts of the country de-

mand already has outrun capacity to produce it. There are black-outs. Power conservation and rationing is discussed. The growth in power demand has been steady. At the end of 1940 demand on the Nation's power systems totaled 28,000,000 kilowatts. Five years later—by the end of the war—it had increased by 10,000,000 kilowatts, while in the next 2 years it jumped up more than another 10,000,000 kilowatts to the total of the 49,000,000 kilowatts demand recorded in 1947. Load growth continues. Private power companies expect it. They have announced proposed expenditures of \$5,000,000,000 in the next 5 years, an increase of more than one-third in the present capitalization of the 65-year-old industry.

On the TVA power system, too, demand is rising. The people are using more power in their homes, on their farms, and in their industries. This is not a new trend in the Tennessee Valley, either. Electricity use has been expanding in the Tennessee Valley since 1933. The TVA system has a capacity of more than 2,500,000 kilowatts today and last year it produced 15,000,000,000 kilowatt-hours, as compared with a capacity of 800,000 kilowatts in the same area in 1933 and a production of one-tenth as many kilowatt-hours a year.

GROWTH OF LOAD ON MUNICIPAL AND COOPERATIVE DISTRIBUTION SYSTEMS

Estimates of the growth of load on the TVA system are the results of detailed studies of the prospects of the 140 municipalities and cooperatives which distribute TVA power to the homes, farms, and business enterprises of the area. A summary of their expectations follows.

Consumers served by municipalities and cooperatives are divided into three general classes: residential, commercial, and industrial. During war years growth in residential use of electricity was discouraged to conserve power for essential war uses, and the electrical household equipment which builds a residential load was not obtainable. From 1945 to 1947, however, the annual residential use of electric energy on the TVA system increased about 60 percent, rising from 900,000,000 kilowatt-hours use to nearly 1,500,000,000 kilowatt-hours as the average consumption per family increased from 1,790 kilowatt-hours per year to 2,320. Every month this load goes up. In the next 5 years the use of electricity in the homes of the Tennessee Valley is expected to double.

While growth of the total residential load has been rapid, an even greater rate of growth in use has occurred on the farms than in the urban centers. The availability of power is the major factor liberating the farmers of the Tennessee Valley from some of their back-breaking chores and permitting the development of the more diversified pattern of agriculture upon which the security of the future depends.

The commercial and industrial load of the municipalities and cooperatives is growing too, as the region more nearly approaches national levels in retail, service, and manufacturing industries. Most of these private businesses are relatively small but their number is increasing and their total use of electricity has

grown sharply. The small private enterprises whose maximum demands are under 50 kilowatts—grocery stores, filling stations, beauty shops, drug stores, restaurants, tourist camps, small hotels, and the smaller manufacturing plants—increased their use of electricity from 520,000,000 kilowatt-hours in 1945 to 850,000,000 in 1947—an increase in the first two postwar years of 60 percent for this class of consumers. In those 2 years more than 20,000 such small businesses were established in the area. According to present estimates the next 5 years will see a further increase over the present consumption levels of these consumers by at least 65 percent.

The larger commercial and industrial power users served by municipalities and cooperatives—those with demands over 50 kilowatts—have been increasing their consumption at the same time. The whole economy is marching ahead. In the 6-year period ending with December 1947, the number of such establishments, canneries, quick-freezing plants, mines and quarries, foundries, and hosiery mills, for example, increased by 1,500, a growth of more than 100 percent. More than half the increase in number has taken place since the end of the war. The total annual consumption of this group of consumers amounted to over 2,000,000,000 kilowatt hours last year, and based on the business plans of the various enterprises involved, an annual use totaling 3,000,000,000 kilowatt-hours must be anticipated within the next 5 years.

The combined total of these anticipated increases in power use means that these public distributors of TVA power expect to use over 8,000,000,000 kilowatt hours in 1952, 65 percent more than they used in 1947.

This is the demand which TVA must be prepared to meet. To provide capacity to meet the commitments of these public distributors, who last year alone spent \$23,000,000 for new lines, transformers, and other distribution facilities required to meet the demands in their service area, more than the hydro additions already authorized is required. This is why the steam plant is needed.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from New York.

Mr. COUDERT. The gentleman a moment ago spoke of the not unnatural desire of the residents of the valley for more refrigerators and cream separators and more of the other lesser luxuries of life. There are 8,000,000 people in the city of New York, many of whom would be very happy, like their fellow citizens in Tennessee, to have more of such facilities. Would the gentleman from Tennessee prepare to vote an appropriation for the Federal Government to establish a power plant in the city of New York so that we, too, might get cheap, subsidized power?

Mr. KEFAUVER. I will say to the gentleman that as far as I am concerned I would be perfectly willing to see the gentleman's city of New York, if the facilities were needed there, and if his area needed developing like the Tennessee Valley, have a similar project. As a matter of fact you have done a very

poor job in New York in harnessing the power of your rivers.

Mr. COUDERT. Of course, cheap electric power is desirable anywhere. I take it the gentleman's position is that he is for the Government's supplying electric power to the entire United States at the expense of the taxpayers?

Mr. KEFAUVER. Your idea that this is subsidized power at the expense of the taxpayers in the long run is a mistaken one. I am certain the gentleman is aware that the power part of TVA is self-liquidating. Whether we agreed with the TVA in its original conception, and personally I did agree and have supported the Tennessee Valley Authority all the way through, we have the accomplished fact that the Tennessee Valley Authority is in existence, that it is the sole supplier of power for this area, and it is either a matter of whether we want the area to continue to make progress, whether we want it to make a contribution to the entire Nation and pay back this amount itself, or whether we want to put an economic limit on one section of the Nation to the prejudice of 5,000,000 people and to the development of that section.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield to the gentleman from Mississippi.

Mr. RANKIN. Let me say to the gentleman from New York that I was one of the men who has favored from the beginning the development of the St. Lawrence water power. If you do that and use it as a yardstick and break those rates down in New York, those people can get power at reasonable rates.

Mr. COUDERT. Mr. Chairman, will the gentleman yield to permit me to answer the gentleman from Mississippi?

Mr. KEFAUVER. I yield.

Mr. COUDERT. We are talking about steam plants and not water power.

Mr. RANKIN. I was afraid of that.

SECTIONAL PREJUDICE REGRETTED

Mr. KEFAUVER. Mr. Chairman, we are not going to get anywhere as a nation and certainly Congress is being very short-sighted if we bring into play sectional prejudice. When we say that because something is not taking place in another part of the United States that no one should have this advantage, we are being very short-sighted. Certainly the harbors of the East, the great western projects of irrigation and flood control, as well as flood control in the Mississippi Valley, all of these advantages directly affect the welfare of the whole United States. We of the South do not begrudge the benefits you have secured. We are glad to cooperate in your advancement. Should you now wish to stifle and kill our progress? You do that if you oppose this steam plant.

The private-power lobby and their allies are making the irresponsible assertion that this area has been unfairly favored by the Federal Government. They are invoking the antiquated superstition that industrial growth in one part of the country means industrial stagnation in another. Their representatives are claiming that TVA is soliciting industries to move from other sections of the country to the Tennessee Valley.

Neither charge is true. The Tennessee Valley has not been singled out for Federal attention. Rivers and harbors have been developed all over the Nation at public expense. Hundreds of millions of dollars have been spent that navigation channels could be provided. Flood control has been promised to other valleys, and millions of dollars are spent each year to keep that promise current. Soil conservation and reforestation are not new activities for the Federal Government to undertake. Vast quantities of power have been produced by Federal Government expenditures, particularly on the rivers of the West. Almost from its beginning the Federal Government has made annual appropriations to create a climate in which the private enterprises of the people can prosper. River control was late in coming to the Tennessee Valley. The benefits have been substantial and they have been swiftly realized. That is the only difference. The objective of all TVA activities was to promote such benefits, obtain just such results. Not only does the region benefit, as other regions have; increased national prosperity has resulted just as the sponsors of the TVA Act hoped it would.

The new businesses locating in the Tennessee Valley are not moving from other areas. They are fulfilling the expectations set forth in the TVA statute which directed that ways and means should be sought for "the application of electric power to the fuller and better balanced development of the resources of the region."

It is more than a theoretical position. During the war when the WPB ordered the plant capacity of these customers increased, TVA officially protested the decision and urged instead erection of a plant outside its power service area at a location where the more extensive Florida reserves could be utilized in order that the smaller deposits of Tennessee could be conserved. Its advice was not accepted. The national emergency prevented a decision TVA believed to be in the national interest. It seems to me that this Congress ought to spurn the iniquitous effort of Purcell Smith, the head of the private power lobby, to play one section of the United States against the other. We all know that in the United States anything that helps one section of our country is going to help the whole country. Likewise, anything that damages 80,000 square miles and 5,000,000 people of our population is going to damage the whole United States.

PROGRESS IN TENNESSEE VALLEY HELPS ALL SECTIONS

There is one thing that I think some of the Members from industrial sections outside of the Tennessee Valley ought to bear in mind, and that is that these generators, this equipment that goes into the hydroelectric plants and steam plants in the Tennessee Valley, which are eventually paid for by the purchasers of power in the valley, is made in other sections of the United States. The making of this equipment gives employment to people at Schenectady, N. Y., and at the Allis-Chalmers plant in Milwaukee. Statistics show that every State in the Union makes some contribution to the

equipment and to the articles that come into the Tennessee Valley as a result of this development.

Only today, Mr. Chairman, I had the opportunity of talking with a newspaperman from Memphis, Dick Wallace of the Press-Scimitar. He said that he had been on a trip in upper west Tennessee, in Gibson County, and that the great thing the people were thinking about and wanted was cream separators, fridges, electrical equipment, and farm machinery, in greater amount, if they could only have the electricity and the electric power to operate them. Those things are made largely in other parts of the United States. It is going to help give jobs to your people and to build up the entire economy of our Nation if only you do not nip our growth in the bud.

Another example, last month in the National Geographic Magazine the small item of fishing equipment and tackle was mentioned. There was a discussion and a pictorial article about how the lakes of the Tennessee Valley had helped the manufacturers of fishing equipment. Some manufacturer in the Chicago area gave great credit for the increase of business to development of this section in the South.

Gentlemen, this proposition of not appropriating money for this steam plant is the most dastardly disregard of the national interest on the part of private power trusts that I have ever known. Here we are with cooperatives and municipalities which have invested millions of dollars of their own money in partnership with the Federal Government faced with the possibility of not having power to furnish their customers and retire their indebtedness. Here are industries which have been built by the United States Government for our own defense, such as the atomic-energy plant and many others, which may be faced with the emergency of not having enough power to carry on for our national defense. There are other industries. Mr. Purcell Smith says, "Let them build their own steam plants." They are producing aluminum and other things so vitally necessary now. Yet the power lobby would so completely disregard the national defense as to deny this money, even though the people of the valley eventually are going to repay it. I think Mr. Purcell Smith and his private power group would do better to spend some of that \$250,000 a year trying to give better service to their own customers instead of using it as a slush fund in trying to kill this worth-while project. I know they would thereby accomplish more for the good of the Nation. As a matter of fact, even the Arkansas Light & Power Co. and other private power companies are short of power themselves. They want power from the TVA to operate aluminum plants. Yet the lobby has the audacity in the face of the needs of our national defense to say that this appropriation should not be granted.

WE CANNOT PLACE OUR FUTURE AT MERCY OF PRIVATE POWER LOBBY

I said in the beginning that this was not only a matter of importance to the State of Tennessee, but it was important to the whole Nation. The attempt here is—and we all know that our economy

cannot operate unless we have electric energy—the attempt here is to let the private power lobby say how much development we can have in this country. It affects the great western projects. It affects all the power projects all over the United States which are going to be curtailed and cut down to what they say they can have. Are we going to really develop the great natural assets of this country, or are they going to allow our progress to be curtailed and cut down?

Mr. PLOESER. Mr. Chairman, will the gentleman yield?

Mr. KEFAUVER. I yield.

Mr. PLOESER. Naturally I assume the gentleman is speaking for himself?

Mr. KEFAUVER. I am speaking for myself, but I think I am speaking the real sentiments of most of the Members.

Mr. PLOESER. Certainly the gentleman does not mean to impugn the motives of all the Members of Congress. The gentleman knows that we make our decisions individually as we see fit. If those decisions are influencing the gentleman, I am sorry—I did not know. But who is the gentleman speaking for—is the gentleman speaking for himself?

Mr. KEFAUVER. I am speaking my own sentiments, I will say to the gentleman.

Mr. PLOESER. I just wanted to be sure.

Mr. KEFAUVER. Mr. Chairman, this is not a partisan matter. Politics or partisan consideration should play no part in this determination. The gentleman from Tennessee, Judge JENNINGS, who just addressed the House, represents a district which I imagine has more industries and more people dependent on the successful operation of the Tennessee Valley Authority than any other. The gentleman from Tennessee [Mr. PHILLIPS] on the majority side, has a similar district, the very life of which is dependent upon having a sufficient supply of electric power. Both gentlemen happen to be Republicans. The same is true of many other sections of the country. This is not a Democratic or a Republican matter. It is a question of whether we are going to accept what has already been done with the Tennessee Valley Authority as the supplier of power in this section and give this section a chance to go forward, or whether we are going to resort to sectionalism and say, "No; you cannot have any more. We will put an economic lid on your profits in the future." What will that lead to if we adopt that policy all over the Nation?

In the final analysis it seems to me that this is a matter of whether we are going to turn our future economic destiny over to private power trusts or whether we are going to assert ourselves and really try to use the assets of this great Nation, particularly at a time when we need to use those assets for our own welfare and for our own protection.

Mr. Chairman, another point which I think should be stressed is that this is not a grant. This is not like a WPA project or a PWA project, where the Federal Government is giving away the money it is never going to get back. The Congress has already enacted into law a schedule for the amortization of

the TVA's investment in power projects. Every cent of this appropriation will of course be charged to power, and in a period of 40 years, under an amendment passed in the last session of Congress, this money will have to be repaid to the Federal Government. But every dollar spent now in this project is going to mean greatly increased employment in other sections of the United States. It is going to mean further development of this area. It is going to mean that we have some cushion of power for national defense, which is so greatly needed.

The CHAIRMAN. The time of the gentleman from Tennessee [Mr. KEFAUVER] has expired.

Mr. PLOESER. Mr. Chairman, I yield 10 minutes to the distinguished gentleman from Tennessee [Mr. PHILLIPS].

Mr. PHILLIPS of Tennessee. Mr. Chairman, at the outset of my brief remarks, I wish to express my appreciation for the action of the committee in having approved the total amount of money recommended for the construction of the Watauga Dam and the South Holston River Dam. As Representative from the First District of Tennessee, I am happy that the committee has seen fit to approve the amount of \$15,142,000, which is necessary for the continued construction and furtherance of the two dams which are located in the district which I have the honor and privilege to represent.

The Tennessee Valley Authority is a corporation created by act of Congress on May 18, 1933. It was established to improve navigation and to provide for flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of the valley; to provide for the national defense, and for other purposes. The Tennessee Valley Authority has accomplished these purposes by developing dams and reservoirs in the Tennessee River Basin and its tributaries. It has engaged in the generation of hydroelectric power.

I have had an opportunity to observe the advancement and progress that has been brought about by the development of the Tennessee Valley Authority. There has been some question raised on the floor of this House concerning the power of the Congress to appropriate money to build a steam plant for the development and sale of power. In the early history of TVA many cases were brought into the courts of this country touching on different phases of the power program. The legal authority for the TVA has been established long ago by the Supreme Court of the United States. The legal battles have been fought out in the courts of America, and there is no question about the legal authority for the existence and continuity of the TVA. The constitutional authority to promote the general welfare in the interest of national defense is well established by the courts of this country.

The original act was established for the purpose of flood control, navigation, soil conservation, national defense, and other powers incidental thereto. Under the Constitution, by implication and my

implied powers, it follows that a Government corporation can do the necessary things that are incidental to the carrying out and completion of the program as provided and set out in the original act of Congress. It would seem to follow that it has long been recognized that TVA can sell surplus power to commercial establishments, and therefore, in order to keep a continuous flow of power, the erection of a steam plant within the area of the TVA is a logical, necessary, implied power of the TVA Act. It is necessary to have a secondary source of power in order to adequately supply the needs of the people of that great area. A steam plant will guarantee a continuous flow of power during a time when hydroelectric power may be curtailed in production because of dry weather or a drying up of the source of power of water in the dams which produces electric power.

There is no new departure in this procedure. The Congress from time to time has appropriated money to develop the great highways of this country. We have developed the forests and waterways of America. The Congress has appropriated money to develop the rivers and harbors and canal service to accommodate the commerce flowing from the great cities, not only on the eastern seaboard, but throughout America. We as a nation have encouraged the development of the great reclamation service of the West, which has produced fertile soil where fruits and vegetables and farm varieties now grow, which was at one time a place of poverty and wastelands. These great areas have been turned into intensive and productive agricultural areas, all of which has added to the wealth of the West. Likewise I have seen great development in agriculture, soil, progress and happiness of the people in the Tennessee Valley. More than 5,000,000 people depend upon the TVA for power. A great area consisting of approximately seven States is affected by this great national development. We cannot, as a Congress, allow this great number of citizens to be deprived of the necessary power to run their industries, operate their factories, furnish power for their municipalities, for their farm organizations, nor should the people be denied the necessary amount of electric power to supply light and power in every rural home. Since the TVA is situated in the general area where the TVA operates, then there is no other source of electric power, and it is up to the Congress to appropriate the necessary money to build and develop power facilities, which will guarantee a constant flow of power to meet the needs of the people in question.

We are not dealing with a local problem, but it is one of national concern to everybody throughout this Republic. The Congress recently appropriated the necessary funds to create a 70-group Air Force. We are living in a day and time when the maintenance of a large Air Force which can be supreme in the air is the best guarantee to our national security and proper defense. Electric power is necessary to build up a strong Air Force. We must not forget that in this general area we have the atomic-bomb plant at Oak Ridge, together with

the aluminum plant at Alcoa, Holston Ordnance, and Tennessee Eastman at Kingsport, as well as the North American Rayon and Bemberg corporations at Elizabethton, Tenn. All of these industries played a vital part in the production of war material during World War II. We must not allow our supply of power to be depleted, and then at some future date find ourselves in need of a source of electric power, which we may not have if we do not take the necessary precautions now to produce power.

The national defense of this country is not a sectional problem. It is true that some sections of America have more industries and more taxable property, and because of their ability and prosperity there naturally falls a heavier burden of taxation upon these people, but this Republic must be maintained and saved, and must be built strong and powerful. In time of danger men and women from Alabama, Kentucky, Tennessee, North Carolina, and other States fall in line alongside the people from New York, Connecticut, Illinois, Massachusetts, California, and Texas, as well as every State in the Union, to answer the call of our country, and rush to the defense of this Republic. There is no private utility in this great area that can give to the people the necessary power, and it is my conviction that it is the responsibility of Congress to see that in the interest of the national well-being, that there is not a ceiling placed upon the progress and advancement of this great area in America.

Mr. MAHON. Mr. Chairman, I ask unanimous consent that all Members who have spoken on the bill this afternoon may have permission to revise and extend their remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Chairman, I yield 15 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, as everyone knows, I was coauthor with Senator Norris of the bill creating the Tennessee Valley Authority.

Before that bill was ever introduced, I went over it with Senator Norris and saw that it contained those provisions referred to by the distinguished gentleman from New York [Mr. COUDERT], giving preference to States, counties, municipalities, and cooperative power associations within the distribution radius. At that time the distribution radius had been held by the Army engineers to be 350 miles, and everyone else, including the TVA, now says it is at least 300 miles.

I began a drive at once to get that power to my people, and today they have it in every single voting precinct in the 10 counties I represent.

They get their power from the Tennessee Valley Authority at TVA rates.

We do not have it to every farm house in the district yet, but we are well on our way to that end.

That is one of the greatest services I have ever rendered the people of this country, and especially the people of the district I represent. In carrying out the

provision referred to by the gentleman from New York [Mr. COUDERT] I have secured the construction of the longest high-power line yet built out from the Tennessee River, running the full length of the district I represent, in order to enable the TVA to supply power to the municipalities and cooperative power associations in that area.

If the bill reported by the Committee on Military Affairs, known then as the Hill bill, had become law, instead of the Norris-Rankin bill, we would have had one dam on the Tennessee River, at Muscle Shoals, the private power interests would have got all the power generated there, the people today would be paying three, four, or five times the rates for it they are now paying, and the farmers would not be getting any electricity at all.

We simply struck out all after the enacting clause of the Hill bill, and inserted the Norris-Rankin bill, which gave the TVA the right to build additional dams, as well as the right to build power lines, including rural lines, fix the maximum retail rates, and give preference to States, counties, municipalities, and cooperative associations within the distribution radius. If we had lost that fight, the Tennessee River probably never would have been developed, at least in your day and mine; the people I represent would have got none of the power, and the chances are that the farmers of the district would not have seen electric lights in their homes during this generation.

Remember that rural electrification began in the TVA area, in the district I represent, and spread to the rest of the country. It is the greatest economic blessing that ever came to the farmers of this country, and I am in favor of extending it to every farm house.

It is amazing to me to see men fight a small appropriation of this kind and vote against funds for rural electrification, and then vote to give untold billions of the American taxpayers' money to countries of Europe, Asia, and Africa, many of whose people never try to help themselves.

The money for this generating plant, as well as the money loaned for building REA lines and facilities, will be paid back with interest and will enrich the Nation. While these billions you are giving to foreign countries will never come back, and instead of promoting the peace of the world, it will probably have the very opposite effect.

We are told that more than \$900,000,000 of that foreign aid, or ERP or Marshall-plan money is to be sent for tobacco. That means that the people of every county I represent, and every county you represent, will have to pay more than \$200,000 for tobacco alone to be sent to foreign countries under the pretense of promoting peace under the so-called Marshall plan.

Yet, when we ask for money to loan to the farmers to build rural power lines, or to enable the TVA to build this steam plant to firm up the power generated on the Tennessee River and save billions of kilowatt-hours of secondary power for the people of that area, we find the same Members opposing it with all their might.

But, as Abraham Lincoln once said, "You cannot fool all of the people all the time." They are getting wise to what is going on; and when you Members go back to your farmers and ask for their endorsement for reelection, you are going to find them like the old colored fellow trying to run down a path through a dense wood in a thunderstorm at night and praying to the Lord to give him "less racket and more light."

The gentleman from New York [Mr. COUDERT] asked me how far I would go in building these steam plants. My answer is very simple. I would go far enough to build sufficient steam plants to firm the power up to the peak of production in the average year.

There are a great many people who do not understand the difference between firm power and secondary power. Firm power is that produced the year around in a steady flow. Secondary power is the floodwater power or the power that is produced when the stream is above that flow. As a rule, the secondary power in the Tennessee Valley area comes in the wintertime, as a result of the heavy rains. Along the Columbia River it comes in the summertime as a result of the melting snow and ice, when those people need that water and that power to irrigate their lands. In the Tennessee Valley the secondary power comes in the wintertime when we need it to heat our homes and to furnish the additional power that is needed throughout the cold winter months. I am in favor of building any steam plant that is necessary to firm that power up to the peak of production of the average year in order that none of the water power in the Tennessee River, or any of its tributaries, goes to waste.

The gentleman from New York [Mr. COUDERT] keeps talking about the people of New York paying for this. The people of New York do not pay a dime of it.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I am glad to yield to the gentleman.

Mr. COUDERT. Who paid the \$400,000,000 that went into the construction of these plants? New York pays only 10 percent of the Government income. Does the gentleman mean that my constituents do not contribute to the welfare of the people of Tennessee?

Mr. RANKIN. The people who pay for the power pay the bill. In the long run, it is will not cost New York a dime.

But let me tell you what you people did when your party was in power. You were selling the power produced at Muscle Shoals for 1.59 mills a kilowatt-hour wholesale to the private power interests, which, as a rule, are owned in New York. You showed that the rate was sufficient to amortize the investment within a reasonable time. Today the TVA is selling that power in the same area at an average of about 4.5 mills a kilowatt-hour, considerably more than twice what you were charging the private power companies for it 15 years ago. Yet you come in here and try to make the public believe that the TVA is selling the power below the cost of production. I

will tell you where your trouble comes from. The private power companies and that great octopus, the big holding companies, sometimes in layers 14 deep, are sucking the lifeblood out of the power consumers of this country through overcharges for distribution.

You people in the Northeast might as well get ready for it. You are either going to develop your water power up there or you are going to suffer just as they suffered in Massachusetts for want of heat last winter.

They have refused to develop that water power with all the help we have offered them. They have no coal, they have no gas, they have no oil to amount to anything in any State beyond Pennsylvania. That applies to New York, New Jersey, Delaware, and all the New England States.

I do not have the figures for 1947 yet, but in 1946 the people of the State of New York were overcharged for their electricity \$222,000,000, according to the Ontario rates, just across the line. They have an abundant supply of undeveloped water power. The State of New York alone has 11,300,000,000 kilowatt-hours of undeveloped water power going to waste each year. Properly firmed up it would probably amount to 15,000,000,000, or almost as much as the people of that State now use, from all sources.

They can develop it for the people in that area at rates the people can afford to pay. If they had developed the St. Lawrence, 6,000,000,000 kilowatt-hours of hydroelectric power a year from that stream would have belonged to the American side of the river. You could have taken that power and reduced the electric light and power rates to the people of New York, New England, and New Jersey by probably \$350,000,000 a year, just by the force of the yardstick.

If you had developed the water power of New England and of all that great North Atlantic country, you would not hear those people today complaining of being cold, but you could supply them with the necessary power not only to carry on their industries but to heat their homes, operate their refrigerators, their water pumps, their washing machines, and all the other appliances necessary to make their homes what they should be. Of course, I am supporting this amendment. I think it is absolutely necessary. I am also going to stand by that provision which Senator Norris and I wrote into the law creating TVA in 1933, that preference must be given to the States, counties, municipalities, and cooperative power associations within the distribution area.

I want to see cheap electricity in every farm home in America.

Mr. MUHLENBERG. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Pennsylvania.

Mr. MUHLENBERG. Following the argument of the gentleman, I am wondering whether it is his thought that insofar as steam plants are concerned, he would firm up merely the existing water power or whether his vision of electric power goes so far as to establish a chain of steam plants, if necessary, for some 350 miles.

Mr. RANKIN. I will say to the gentleman from Pennsylvania that I would go only so far as to firm up the hydroelectric power in the Tennessee Valley area and elsewhere to the maximum flow of the streams in an average year.

Let me remind the gentleman from Pennsylvania that his State has over 8,000,000,000 kilowatt-hours of water power going to waste every year. That State has its supply of oil, and it has an abundant supply of coal. But if the people in that area want to develop that water power, I would go along with them on the same terms that we have developed the water power on the Tennessee River and its tributaries, as well as on the Columbia and on the Colorado. The power consumers of Pennsylvania would pay for it in the long run, and it would reduce their present rates more than \$100,000,000 a year.

They talk about scarcity of power. When I took up this fight when I first came to Congress in 1921 the American people were using only 40,000,000,000 kilowatt-hours of electricity a year. I believe the gentleman from Tennessee [Mr. GORE] said a while ago that they would use 280,000,000,000 kilowatt-hours of electricity this year. The party in power told us at that time that they did not need the Muscle Shoals Dam; that we had more power than we had a market for; and voted down the appropriation to finish the dam. The Ford offer aroused the American people and they demanded that the Muscle Shoals Dam be finished. Today we are approaching the 300,000,000,000 kilowatt-hour mark, and in less than 10 years, and I believe in 5 years, this country will be using half a trillion kilowatt-hours of electricity a year, and in less than 25 years from today, certainly less than 50 years, this country will be using a trillion kilowatt-hours of electricity a year.

Mr. COUDERT. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from New York.

Mr. COUDERT. I gather from the gentleman's remarks that he seems to have overlooked the fact that this committee has allowed and approved every dollar that TVA has asked for in this bill for the development of water power.

Mr. RANKIN. I am not overlooking that fact. But I am complaining at your cutting out this steam stand-by plant which is necessary to firm this power up and save an abundance of secondary or flood-water power from going to waste, or forcing the TVA to sell it to private power companies at their own prices, while they firm it up and wring the economic lifeblood out of their customers with exorbitant overcharges.

They want to force the TVA to sell this secondary power to private companies, largely in Arkansas, Kentucky, Alabama, and Georgia. In 1946, the people of those four States were overcharged \$65,000,000 on their light and power bills, although portions of three of those States were using TVA power at TVA rates.

This power issue is one question on which I have put in more time than any other subject since I have been a Member of Congress. Last year there was

produced and sold in this country 255,-000,000,000 kilowatt-hours of electricity, as against 40,000,000,000 in 1921. There was about 45,000,000,000 produced and used by concerns that generate their own power—making a total of about 300,000,000,000 kilowatt-hours produced in this country last year. Studies made by the engineers of both the Army and the Federal Power Commission reveal that there are 394,000,000,000 kilowatt-hours of hydroelectric power going to waste in this country every year. That power could be firmed up to the average maximum production with 116,000,000,-000 kilowatt-hours of steam-produced power, which would give us a total of more than 800,000,000,000 kilowatt-hours a year. That would meet all our industrial and commercial needs, and heat every home and every business establishment in this country for thousands of years to come without exhausting our fuel supply.

I have no patience with those tools of the Power Trust who come here to lobby against public power. The power business is a public business. Electricity is the lifeblood of our advancing civilization. It has become a necessity of our modern life. No home is complete without it. It must be handled by a monopoly. You cannot have four or five concerns supplying electricity to any community; the overhead expenses would eat the people up.

Besides, the water power already belongs to the Federal Government. It is public power to begin with. Therefore we are dealing with a public business and not with a private business. When these agents of the Power Trust come here and accuse the Congress of engaging in a private business, they simply put the shoe on the wrong foot, because what they are trying to do is to have private interests monopolize a public business and pile upon the backs of the American people burdens so heavy they cannot be borne.

I am familiar with the power rates in every State in this Union. I am familiar with the power rates in the various cooperative power associations. I see some of their customers paying three or four times as much as they should have to pay, merely because they are helpless in the hands of this vast monopoly that is today trying to close in on Congress, get its hands on the water power of the Nation at the bus bar, and deprive the American people of its greatest source of wealth, outside of this soil from which we live.

They will never succeed if I can prevent it.

Our rural power program would have gone dead if it had not been for the fight I waged for it here on this floor in 1938, and the fights I have waged since that time. Today there are 2,000,000 electrified farm homes in this country that probably would not have had electric lights in them for a generation if it had not been for the fights I have led here, and in which some of you men who are looking at me now have always joined.

Let us develop our water power, firm it up, and give the American people the

benefit of the greatest wealth in America outside of the soil from which we live.

Let's see to it that this power is supplied to every home and every business establishment at rates based upon the cost of generation, transmission, and distribution.

Let's electrify every farm home in this country at rates the farmers can afford to pay.

Then we can lead the world into a new era of peace, progress, and prosperity the like of which mankind has never known.

Mr. PLOESER. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read the bill down to and including line 6 on page 1.

Mr. PLOESER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GRANT of Indiana, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6481) making appropriations for Government corporations and certain independent agencies for the fiscal year ending June 30, 1949, and for other purposes, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. JENNINGS asked and was given permission to include in his remarks made in Committee of the Whole certain excerpts from statutes and decisions of the Supreme Court.

Mr. McCORMACK at the request of Mr. PRIEST was given permission to extend his remarks in the RECORD in two instances and include in one an editorial from the Boston Herald and in the other the text of the President's address to the National Conference on Family Life.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. LANE (at the request of Mr. GORE), for May 10, 11, 12, and 13, on account of illness.

The SPEAKER. Under previous order of the House, the gentleman from South Carolina [Mr. BRYSON] is recognized for 30 minutes.

AMERICAN COTTON AND THE ACHIEVEMENT OF THE PEACE

Mr. BRYSON. Mr. Speaker, today the House Committee on Armed Services begins hearings on S. 2376 which provides a revolving fund for a revival of textiles in Japan.

I respectfully call attention to this important measure, now passed the Senate, and urge its speedy adoption by the House.

The meaning of cotton is known well by my constituents and their neighbors in the South, but to far too many people, including many of our national leaders responsible for the well-being of our Nation, the true meaning of cotton is unknown. In the least, for them it is another of those God-given essentials accepted without thought and with indifference.

Unlike those of us who have grown up among cotton, who have worked with it,

and whose whole way of life is based upon it, those who see it in the indifferent light cannot comprehend its importance.

True, they wear it, sleep in it, and on it, and even eat many products derived from it. The tires which enable their automobiles to ride smoothly contain cotton fiber, and the stuffed chairs they sit in in comfort are made comfortable by cotton. Great public buildings and great public benefits are paid for fully or in part by taxes growing out of income from growing and sale of cotton, and from the production and sale of textiles.

Cotton is one of the great bases of our national economy. It means comfort and warmth. It means livelihood for millions. All this, and so many never give it a thought.

Take cotton away, and they will think about it. They will think about it, and cry over their great loss. But we cannot take cotton away simply to wake up a Nation to its importance. To be without it would be tragedy. However, we can point out its importance, and point a strong finger to those circumstances and individual acts which tend to take cotton away.

Any individual or any action which will hurt the American cotton industry and those millions whose very way of life is dependent upon it is, in a strong sense, taking cotton away.

Today, as we are attempting to unscramble the mess we call our world—a mess made by the teutonic and oriental aggressors—on the horizon of time appears a menace to American cotton, revival of the Japanese textile industry.

It is a truth that we must restore Japan economically in order to obviate the costly burden we now carry in supporting that nation. It is also true that such restoration of that nation is essential to the peace of the world. However, it is not a truth that we must do all that to the detriment of our own Nation and of our own people.

I cannot at the moment think of a better nor a more effective method of stating the problem than by restating the comments made in the other body when S. 2376 was being debated:

At the outset the Japanese volume may be relatively insignificant, but when we let down the bars and establish a precedent there is no telling how fast it will grow. Furthermore, Mr. President, if the Japanese demonstrate that they can find American dollars here at the expense of the American market, it will encourage every other impoverished nation in the world to do likewise, and we shall soon reduce our domestic market to a veritable hodge-podge of foreign merchandising throat cutting which will demoralize the nearest, biggest, and best market the American farmer has for his cotton, and the result will be a steady elimination of thousands of jobs of our American textile workers.

Quite often, when the protection of the well-being of our cotton and textile production and markets is being discussed, and ways of devising such protection are put forth, one hears comments about the cotton bloc, the southern bloc, or the special interests, and many other such erroneous labels applied to the champions of cotton.

It is not a question of the cotton bloc wanting, or a case of the special interests wanting. It is not a regional prob-

lem, either. It is a national problem in which every man, woman, and child in the United States, whether from South Carolina or Oregon, from Georgia or Maine, has a definite interest. Ruin the prosperity of cotton and you ruin the prosperity of our Nation. Throw thousands of cotton and textile workers out of employment and you throw millions of other Americans out of work and precipitate another depression.

All I am doing here today is calling for foresight and early planning to protect our national economy. It is not hard to realize that if we permit the Japanese textile industry to invade our markets and undersell us in competition, that many more than the farmers growing cotton and the workers producing textiles will suffer. The garment worker in New York will lose his job. Those people engaged in selling and transporting textiles will have to close shop; and the millions of people who sell services and luxuries—the laundrymen, bakers, cab drivers, theater people by the hundreds of thousands—will lose out simply because the unemployed cannot afford a fine standard of living which permits luxuries and services.

No; I repeat, it is not a regional problem. It is not simply the problem of the cotton and textile workers and producers. It is every American's problem.

I have been told I am speaking too early in the game, and I decry that thought. Our worst national characteristic is indifference—refusing to recognize the handwriting on the wall—always doing too little too late. Now, and I mean right now, is the time we should take care of this grave matter. Not 5, 10, or 20 years from now when it ceases to be a national problem and develops into an international catastrophe.

Recently I took part in a discussion on the matter of restoration of Japan's industries and listened to an individual brimming with good will for our enemy. The war was over, he stated, and what was done was done. It was not their fault, really. Circumstance, you know. And now what we should do was make things easy as possible for them to restore their economy, become prosperous, and maybe they would forget the scars our bombs left.

The gentleman who had come to love the Japanese so well took ardent exception to the idea of protecting American markets from invasion by a restored former enemy. He claimed that such thinking was placing selfishness against humanitarianism and consequently was laying the foundation for future conflict.

I disagree completely with such philosophy. It is weak at the seams; the argument will not hold water.

The concept of laying protective ground work now in controlling the re-establishment of the Japanese textile trade is not selfishness versus humanitarianism. It is the application of practical humanitarianism. What is proposed is to restore the Japanese textile industry to alleviate us of the burden of paying the way of our former enemy, but doing it in a manner that will not provide detriment to our own national economy.

Japan should be provided with access to the natural Japanese markets—China, Siam, India, Indochina, Formosa, and others, but should not be permitted to compete with and undersell the American producers in American markets.

I know that to the uninformed this might sound monopolistic, greedy, dictatorial, and unfair. However, it is Japan who has the unfair advantage in the long run, and could successfully beat the American producers in competition, hands down.

The American textile worker's base wage is a dollar or better an hour. The Japanese worker will accept a small fraction of that amount. Consequently, in cost of labor alone the Jap is provided the means of underselling the American.

Coming from the largest textile district in the world and representing cotton-growing and textile-producing constituents, I know they will not accept a reduction in their graceful way of life simply because of fallacious theories concerning this vital matter. They are practical people. I know. I worked in the cotton mills of my district for many years, and I know the textile worker and his family to be as strong as the strongest fibers they produce. They are good Americans. They work hard all their lives, and are proud of the essentials and luxuries they produce. They are proud of their contribution to the good way of life and our high standard of living. They want that standard even higher, better, and more comfortable. They will not be undersold, and they will not condone in their leaders lack of foresight and protective planning. As I said before, they are practical people.

As their Representative and as one of them, by inclination, interest, and duty, and in behalf of each and every one of them—whether cotton-growing farmer, spinner or weaver, investor or owner—I am forced to state that I do not believe our officials who are charged with the responsibility of restoring Japan are aware of the gravity of the textile situation. I agree with the statement made in the other body that—

Probably the principal reasons for the failure of our governmental agencies to exhaust the normal market resources in the Orient are the inability of any army to convert itself into a skilled, expert merchandising organization; the tendency of a Government department, inexperienced in selling, to seek the easy, simple method of allocating goods to countries rather than selling them to private interests which operate professionally in the field; and possibly the attitude of our allies who have interests in the oriental markets, and who may be reluctant to cooperate with us in the rehabilitation of Japanese industry, which we as lovers of democracy know is absolutely necessary for peace and security of the world.

No; I do not believe those people have either the experience or the capacity to permit the good, protective job to be done. It is heartening to observe the activity of two of my constituents, Dr. William P. Jacobs, president of the American Cotton Manufacturers Association, and Mr. Fred Symmes of my home city Greenville, S. C., who along with Mr. Donald Comer, of Alabama, in their mission to Japan, studied the Japanese textile industry and

the problems involved in its restoration. With a lifetime of experience behind them these three gentlemen are well equipped to deal with any phase of the textile problem.

It is even more heartening to read the report resulting from that mission, the recommendations of which if accepted and followed will go a long way toward restoring Japan and at the same time protecting the welfare of our Nation.

Dr. Jacobs' committee recommended a revolving fund from the United States Congress for working capital to purchase American cotton for export to Japan in order to provide them with the raw materials they need for their textile production.

That recommendation is contained in the bill S. 2376 now before Congress, providing a revolving fund of \$150,000,000, and its early passage will enable the Japanese to sell their textiles in Oriental and colonial markets which have dried up because of the dollar shortages.

The members of the mission also recommended that General MacArthur add skilled textile salesmen to merchandise Japanese textiles under his direction and in cooperation of the Japanese Board of Trade, the Japanese Spinners Association and the leaders of the Japanese textile industry. Merchandising cotton goods requires resourcefulness, ingenuity, freedom of action and quick decisions, and these textile specialists should be given all the latitude possible in their operations. The American cotton textile industry will help out in this, nominating staff members for this merchandising effort.

American methods are what those people need to become self-sustaining, and our American textile people can show them how, and will be happy to do it. That is practical humanitarianism, not conversation.

I will go the mission one further with a recommendation of my own in this matter. I recommend that this Nation provide a "textile watchdog" to cover the planning and operations which go into the restoration of the Japanese textile industry and marketing.

We, who represent the people most directly concerned with cotton and textiles, must act as watchdogs, nationally. However, our job is so big, we cannot devote the concentration in the foreign field which is mandatory. It is a vast job simply in remaining informed on what is going on over there. We need men in the field not only to assist us in keeping abreast with what is happening, but we need them over there to prevent things from being initiated which must later be knocked down because of the fallacy in the thinking which inspired the initiation. Big oaks from little acorns grow. Likewise bad situations can result from crackpot ideas. We want to avoid such situations by guaranteeing as much as possible that foolish ideas concerning the Japanese textile trade do not grow into situations which will harm us in the years ahead.

Actually, there is no need for conflict to grow out of the current problem of restoration of Japanese textile production. Conflict will be the result of foolish action, now, whereas if thought-

ful planning and action are undertaken in these days of restoration, both the Japanese and American industries will flourish along with those who provide them their materials.

Historically, the Japanese industry has largely confined its sales to the Orient in the past and to a few more distant markets where low priced and relatively inferior goods were desired. That historical trade should be resumed and encouraged and both Japan and the United States will profit by it.

The Jap industry will grow alive again and consequently will again be a paying customer for the American cotton grower. However, if short cuts are attempted; if there is an attempt to thrust low-priced, low-grade textiles into the American market, we will all suffer, and a harmful precedent will have been set. That must not happen, and it is the duty of the representatives of the people of the United States to see that it does not happen.

One recommendation of the mission that sales be delayed as far as possible until the European recovery program is under way. With the establishment of the Economic Cooperation Administration, that program is under way, and I feel certain it will offer goodly relief for the Japanese industry and economy.

As reported by the mission, since the European recovery program will increase the number of dollars available in certain European countries for rehabilitation, it is conceivable that some of these countries will directly or indirectly make some of the funds available for clothing of their colonies, and the funds will benefit the Japanese trade.

Another of the recommendations of the mission offers great possibilities not only for its intended purpose—assisting the recovery of the Japanese textile trade—but in several other ways very important to us in the United States.

Presently, our two most important international objectives are developing a lasting peace and remaining strong in the face of any would-be aggressor.

The mission's recommendations, if implemented, will help greatly in the achievement of these two objectives. The mission stated:

In the past, Japanese salesmen have bought dollar cotton and sold their products into sterling areas successfully by bartering the three-cornered trading. They are asking for the opportunity of returning to the same type of operations today. It would result in profit to themselves and at the same time perform a definite service to American cotton farmers as well as producers of other types of raw materials in the Orient. We recommend, therefore, that the Japanese industry be rehabilitated by buying American cotton for dollars and obtaining the dollars by buying from the Orient and the colonies' raw products which are in short supply in the United States and selling them to the United States for dollars, such raw materials to include jute, tin, rubber, copra, tung oil, wood oil, reptile skins, and other items which are needed in the United States.

Remember that recommendation and apply it to the following information I will offer.

A great component of our national defense program in order to remain as strong as possible to thwart the intent of any aggressor in the future until world

peace is achieved is our national stock pile of strategic and critical materials.

These are materials which are absolutely essential in conducting a war successfully. We do not have them in sufficient supply in our own country, and it is mandatory we import them within our borders in peacetime so we shall have them if ever again we are forced to combat an aggressor against world peace.

If we do not have them within our borders in peacetime, it will mean we will have to transport them over dangerous waters during wartime from sources anywhere from 3 to 10,000 miles—miles fraught with the submarine and air menaces, and at a terrific cost in life, money, and time. In war we always have too little time. Saving the time required in transporting these materials into the country now is good, common sense.

Furthermore, during war, bringing those materials in means building additional ships, which, of course, means diverting precious labor, steel, and other premium materials from other essential war projects.

The tin, rubber, and tung oil mentioned in the mission's recommendation are on the list of materials most vitally required in our national stock pile, and nearly every other material required in the stock pile has great sources within the Japanese sphere of trade. If the Japs barter their products for these materials and sell them in the United States for dollars for purchasing more cotton, they will help our national defense as well as become good customers for the American cotton grower. Such an operation makes sense.

The law which provides for our national stock pile prohibits using the stock pile as a subsidy method so it cannot be integrated into the suggested operation. However, one of the elements which is impeding the growth of our stock pile is the simple fact that the materials it requires are also essential in our peacetime, civilian production and economy. Most of the materials have been in short supply, and the stock-piling agency, the Munitions Board, does not compete with the civilian economy for goods which are in short civilian supply.

Because of this lack of availability of strategic and critical materials, our national stock pile is not as big as it should be, and is way out of balance. Making these vital materials available in excess of the quantities needed by our industries will help build our stock pile of strategic and critical materials immeasurably.

The idea of permitting the Japanese to barter their finished textile products in their own trade areas in return for critical raw materials which can be sold for dollars which, in turn, can be used in the purchase of the materials vital to her textile industry has vast possibilities, and everything should be done to make it possible, quickly.

The mission to Japan made up of good representatives of the American cotton and textile enterprises has made some excellent recommendations. These recommendations indicate strongly that the Japanese textile industry can be restored without detriment to our own economy,

and they should be followed completely. If this type of thinking and planning is followed, we will avoid precipitation of unhappy events in the future.

As I said earlier, the people of my district—the people of the textile world—have a way of life they have worked hard and long to achieve. They will not accept detriment to that way of life without question. It is our sacred trust to maintain it and to better it.

The harmony they possess is illustrated in the way our textile industry is managed. It is a well run, smoothly efficient element of the national economy. Its labor problems are at a minimum. Its personnel have a good minimum wage, and its methods of production are the most modern and efficient in the world, barring none. Moreover, its products are the best in the world.

These are the elements we are proud of. These are also the elements of honest competition. Americans are not afraid to compete fairly. But they do not want to be undersold or to be forced into cut-throat competition.

To avoid such unhappy competition and threat to a happy mode of life, we must plan for the protective restoration of world trade, and avoid all the foolish theories the inexperienced attempt to sell us. We must be as alert as the good watchdog and, when necessary, bite the would-be invader—whether he be an invader armed with subversive propaganda, armed with a gun, or armed with low-grade and low-priced goods. Such invaders are equally dangerous and, oddly enough, too frequently run together or are synonymous.

I have shown the problem. I have mentioned some of the sensible solutions possible. And I have sounded the warning. All I ask of you here today is to heed that warning and do all you can to avert damage and provide well-being.

I must call on my colleagues in the House and Senate of the United States Congress and the members of the Administration to handle this problem with extreme care and sensibility. It is too important for casual treatment.

Our age is called the atomic age, the age of chain reaction. The problem of restoration of the Japanese industry is the first link in a chain of reaction. If good solutions are developed initially, the reaction will be for the good and well-being of everyone. It can go on bringing happiness, comfort, and prosperity to millions of people the world over.

If a bad solution is developed, the chain of reaction will be bitter and dangerous. It can precipitate an unhappy form of competition, throw people out of work and create depression, or worse. It could be one of the causes for war in the future.

Consequently, as a representative of the people of the biggest textile area in the world, I must call upon—no, I must demand of those responsible for handling the problem to handle it in the manner best in the interest of the American cotton and textile workers and producers. For what is in their best interest is in the best interest of everyone affected.

I sincerely hope that the House Committee on Armed Services will expedite the handling of this matter and will report it to the House as early as possible so as to insure its passage before the end of this session of Congress. I believe the passage of the measure is imperative.

HOUR OF MEETING TOMORROW

Mr. PLOESER. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 11 o'clock tomorrow morning.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

ADJOURNMENT

Mr. PLOESER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 36 minutes p. m.), under its previous order, the House adjourned to meet tomorrow, Tuesday, May 11, 1948, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1531. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal years 1948 and 1949 in the amount of \$818,000,000 for foreign-relief assistance (H. Doc. No. 639); to the Committee on Appropriations and ordered to be printed.

1532. A letter from the assistant to the Attorney General, transmitting a draft of a proposed bill to provide for the adjustment of royalties and like charges for the use of inventions for the benefit of or by the United States, and for other purposes; to the Committee on the Judiciary.

1533. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1949 in the amount of \$1,000,000 for the Department of the Interior, Bureau of Reclamation (H. Doc. No. 640); to the Committee on Appropriations and ordered to be printed.

1534. A letter from the Comptroller General of the United States, transmitting a report on the audit of Export-Import Bank of Washington for the year ended June 30, 1947 (H. Doc. No. 641); to the Committee on Expenditures in the Executive Departments and ordered to be printed.

1535. A letter from the Secretary of the Army, transmitting a draft of a proposed bill authorizing the extension of functions and duties of Federal Prison Industries, Inc., to military disciplinary barracks; to the Committee on the Judiciary.

1536. A letter from the Acting Secretary of Commerce, transmitting the third quarterly report required under the Second Decontrol Act of 1947; to the Committee on the Judiciary.

1537. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of a proposed bill to amend an act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia," approved February 27, 1929; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk

for printing and reference to the proper calendar, as follows:

Mr. HAND: Committee on Merchant Marine and Fisheries. S. 1853. An act to authorize the Coast Guard to establish, maintain, and operate aids to navigation; with an amendment (Rept. No. 1878). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAND: Committee on Merchant Marine and Fisheries. S. 2122. An act to authorize the Coast Guard to operate and maintain ocean stations; with an amendment (Rept. No. 1879). Referred to the Committee of the Whole House on the State of the Union.

Mr. FLOESER: Committee on Appropriations. H. R. 6481. A bill making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1949, and for other purposes; without amendment (Rept. No. 1880). Referred to the Committee of the Whole House on the State of the Union.

Mr. ANDREWS: Committee on Armed Services. H. R. 6401. A bill to provide for the common defense by increasing the strength of the armed forces of the United States, and for other purposes; with an amendment (Rept. No. 1881). Referred to the Committee of the Whole House on the State of the Union.

Mr. LeCOMPTE: Committee on House Administration. House Resolution 532. Resolution providing for further expenses of conducting the studies and investigations authorized by House Resolution 403; with an amendment (Rept. No. 1882). Referred to the House Calendar.

Mr. LeCOMPTE: Committee on House Administration. House Resolution 554. Resolution authorizing the printing as a House document and the printing of additional copies of the High Cost of Housing; without amendment (Rept. No. 1883). Referred to the House Calendar.

Mr. LeCOMPTE: Committee on House Administration. House Resolution 567. Resolution authorizing CHARLES W. VURSELL to review certain papers in the files of the House; without amendment (Rept. No. 1884). Referred to the House Calendar.

Mr. LeCOMPTE: Committee on House Administration. House Concurrent Resolution 189. Concurrent resolution authorizing the printing as a House document of the Final Report of the Select Committee on Foreign Aid, and authorizing the printing of 5,000 additional copies thereof; with amendments (Rept. No. 1885). Referred to the House Calendar.

Mr. LeCOMPTE: Committee on House Administration. House Concurrent Resolution 120. Concurrent resolution providing for the printing as a House document of the pamphlet entitled "Manual Explanatory of the Privileges, Rights, and Benefits Provided for Persons Who Served in Armed Forces of the United States During World War I, World War II, or Peacetime (After April 20, 1898), and Those Dependent Upon Them, With Special Reference to Those Benefits, Rights, and Privileges Administered by the Veterans' Administration"; without amendment (Rept. No. 1886). Referred to the House Calendar.

Mr. LeCOMPTE: Committee on House Administration. Senate Concurrent Resolution 52. Concurrent resolution to print additional copies of Senate Report 440, part 6, of the Special Committee To Investigate the National Defense Program; without amendment (Rept. No. 1887). Referred to the House Calendar.

Mr. LeCOMPTE: Committee on House Administration. Senate Concurrent Resolution 53. Concurrent resolution authorizing the printing of additional copies of Senate Report No. 949, entitled "National Aviation Policy"; without amendment (Rept. No. 1888). Referred to the House Calendar.

Mr. MILLER of Nebraska: Committee on the District of Columbia. H. R. 5307. A bill to amend the act of August 7, 1946, so as to authorize the making of grants for hospital facilities, and for other purposes; without amendment (Rept. No. 1890). Referred to the Committee of the Whole House on the State of the Union.

Mr. BUCK: Committee on Education and Labor. H. R. 6289. A bill to provide for the voluntary admission and treatment of mental patients at St. Elizabeths Hospital; without amendment (Rept. No. 1891). Referred to the Committee of the Whole House on the State of the Union.

Mr. HINSHAW: Committee on Interstate and Foreign Commerce. H. R. 6407. A bill to encourage the development of an international air-transportation system adapted to the needs of the foreign commerce of the United States, of the postal service, and of the national defense, and for other purposes; without amendment (Rept. No. 1892). Referred to the Committee of the Whole House on the State of the Union.

Mr. BURKE: Committee on Merchant Marine and Fisheries. H. R. 6030. A bill to authorize the exchange of wildlife refuge lands within the State of Washington; without amendment (Rept. No. 1893). Referred to the Committee of the Whole House on the State of the Union.

Mr. HAND: Committee on Merchant Marine and Fisheries. H. R. 6204. A bill to extend to commissioned officers of the Coast and Geodetic Survey the provisions of the Armed Forces Leave Act of 1946; without amendment (Rept. No. 1894). Referred to the Committee of the Whole House on the State of the Union.

Mr. GRAHAM: Committee on the Judiciary. H. R. 5106. A bill to provide for changes in the time of holding court in certain divisions in the eastern and western districts of South Carolina; with amendments (Rept. No. 1895). Referred to the Committee of the Whole House on the State of the Union.

Mr. WELCH: Committee on Public Lands. H. R. 6246. A bill to authorize the transfer of certain Federal lands within the Chopawamsic Park to the Secretary of the Navy, the addition of lands surplus to the Department of the Army to this park, the acquisition of additional lands needed to round out the boundaries of this park, to change the name of said park to Prince William Forest Park, and for other purposes; with amendments (Rept. No. 1896). Referred to the Committee of the Whole House on the State of the Union.

Mr. REED of Illinois: Committee on the Judiciary. S. 692. An act to authorize a mileage allowance of 7 cents per mile for United States marshals and their deputies for travel on official business; without amendment (Rept. No. 1897). Referred to the Committee of the Whole House on the State of the Union.

Mr. JENNINGS: Committee on the Judiciary. H. R. 6412. A bill to codify and enact into law title 3 of the United States Code, entitled "The President"; with amendments (Rept. No. 1898). Referred to the Committee of the Whole House on the State of the Union.

Mr. McCULLOCH: Committee on the Judiciary. H. R. 5891. A bill to repeal an act approved August 24, 1894, entitled "An act to authorize the purchasers of the property and franchises of the Choctaw Coal & Railway Co. to organize a corporation, and to confer upon the same all the powers, privileges, and franchises vested in that company," and all acts amendatory thereof and supplemental thereto; without amendment (Rept. No. 1899). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOFFMAN: Committee on Expenditures in the Executive Departments. Eleventh intermediate report relating to in-

vestigation of sale of Parkview Heights; without amendment (Rept. No. 1900). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JENNINGS: Committee on the Judiciary. H. R. 6482. A bill for the relief of sundry claimants, and for other purposes, without amendment (Rept. No. 1889). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. H. R. 4587. A bill for the relief of Mrs. Harry A. Light (formerly Mrs. Elsie Purvey); without amendment (Rept. No. 1901). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. S. 1365. An act for the relief of Lowe Way Yuen and Dang Chee; without amendment (Rept. No. 1902). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. S. 1483. An act for the relief of Guy Cheng; without amendment (Rept. No. 1903). Referred to the Committee of the Whole House.

Mr. FELLOWS: Committee on the Judiciary. S. 1729. An act for the relief of Gudrun Emma Ericsson; without amendment (Rept. No. 1904). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FLOESER:

H. R. 6481. A bill making appropriations for Government corporations and independent executive agencies for the fiscal year ending June 30, 1949, and for other purposes; to the Committee on Appropriations.

By Mr. BUCK:

H. R. 6483. A bill to amend 42 United States Code 253 (b) (the Public Health Service Act of July 1, 1944); to the Committee on Interstate and Foreign Commerce.

By Mr. GRANGER:

H. R. 6484. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Dixie reclamation project, Utah and Arizona; to the Committee on Public Lands.

By Mr. JACKSON of Washington:

H. R. 6485. A bill to authorize the exchange of certain fishery facilities within the State of Washington; to the Committee on Merchant Marine and Fisheries.

By Mr. KEFAUVER:

H. R. 6486. A bill to provide for the award of decorations to former members of the Army in certain cases; to the Committee on Armed Services.

By Mr. KLEIN:

H. R. 6487. A bill providing, in the District of Columbia, for the registration of locksmiths and certain other persons and imposing certain other requirements with respect to the practice and professions of locksmithing and keymaking; to the Committee on the District of Columbia.

H. R. 6488. A bill to prohibit the segregation of persons in the public schools of the District of Columbia on account of race, color, creed, national origin, or ancestry; to the Committee on the District of Columbia.

By Mr. KNUTSON:

H. R. 6489. A bill to provide for the temporary free importation of lead; to the Committee on Ways and Means.

By Mr. LANDIS:

H. R. 6490. A bill to authorize grants to the States to assist in the construction of nursing homes for aged persons; to the Committee on Interstate and Foreign Commerce.

By Mr. REED of New York:

H. R. 6491. A bill to provide for the deduction from gross income for income-tax purposes of expenses incurred by farmers for the purpose of soil and water conservation; to the Committee on Ways and Means.

By Mr. WOLVERTON:

H. R. 6492. A bill to amend the Public Health Service Act to support research and training in diseases of the heart and circulation, and to aid the States in the development of community programs for the control of these diseases, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MASON:

H. R. 6493. A bill to lower the tariff on imported peanuts; to the Committee on Ways and Means.

By Mr. ANDREWS of New York:

H. R. 6494. A bill to provide that personnel of the National Guard of the United States and the Organized Reserve Corps shall have a common Federal appointment or enlistment as reserves of the Army of the United States, to equalize disability benefits applicable to such personnel, and for other purposes; to the Committee on Armed Services.

By Mr. ELLSWORTH:

H. R. 6495. A bill to amend the Internal Revenue Code by providing an amortization deduction for plants for the hydrogenation of coal, the synthesis of liquid hydrocarbons from gases produced from coal, or the production of shale oil from oil shale; to the Committee on Ways and Means.

By Mr. KEATING:

H. R. 6496. A bill to incorporate the American Standards Association, and for other purposes; to the Committee on the Judiciary.

By Mrs. ST. GEORGE:

H. J. Res. 397. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. WEICHEL:

H. J. Res. 398. Joint resolution to amend the Merchant Marine Act, 1936, as amended, to further promote the development and maintenance of the American merchant marine, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HOPE:

H. Res. 588. Resolution authorizing the Committee on Agriculture of the House of Representatives to have printed for its use additional copies of the study prepared for said committee during the Eightieth Congress, Long-Range Agricultural Policy, a Study of Selected Trends and Factors Relating to the Long-Range Prospect for American Agriculture; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislative Assembly of the Virgin Islands, memorializing the President and the Congress of the United States declaring the existence of a state of emergency in the government of the Virgin Islands of the United States of America due to inability to finance its institutions in their basic functions; to the Committee on Public Lands.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

XCIV—350

By Mr. JENNINGS:

H. R. 6482. A bill for the relief of sundry claimants, and for other purposes; to the Committee on the Judiciary.

By Mr. DOMENGEAUX:

H. R. 6497. A bill to direct the Secretary of the Interior to issue a patent for certain land to Dugas & LeBlanc, Ltd.; to the Committee on Public Lands.

By Mr. KERSTEN of Wisconsin:

H. R. 6498. A bill for the relief of certain witnesses at the trial of Harold Christoffel; to the Committee on the Judiciary.

By Mr. McMILLAN of South Carolina:

H. R. 6499. A bill for the relief of the Plymouth Manufacturing Co., Inc.; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1877. By Mr. BUCK: Petition of Dr. and Mrs. Frank E. Becker, containing 2,999 signatures, including those of 698 residents of Staten Island, N. Y., urging the appropriation by the Congress of sufficient funds for the education and general rehabilitation of the Navajo Indians; to the Committee on Public Lands.

1878. By Mr. GRAHAM: Petition of missionary group I of the First Baptist Church of Ellwood City, Pa., urging the defeat of universal military training; to the Committee on Armed Services.

1879. By the SPEAKER: Petition of the United Polish Organizations, petitioning consideration of their resolution with reference to denouncing communism and further aggression of Soviet Russia; to the Committee on Foreign Affairs.

1880. Also, petition of Mrs. Carrie L. McManus, Sarasota, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1881. Also, petition of Mrs. W. A. Nau Mann, Orlando, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1882. Also, petition of Townsend Club No. 1, Jacksonville, Fla., petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1883. Also, petition of Mrs. Margaret Scranton, St. Cloud, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1884. Also, petition of C. W. Inglett, Bradenton, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1885. Also, petition of B. M. Stone, Tampa, Fla., and others, petitioning consideration of their resolution with reference to endorsement of the Townsend plan, H. R. 16; to the Committee on Ways and Means.

1886. Also, petition of Martin Tall and others, petitioning consideration of their resolution with reference to the defeat of legislation titled "The Subversive Activities Control Act"; to the Committee on Un-American Activities.

1887. Also, petition of the executive secretary, American Association of Social Workers, petitioning consideration of his resolution with reference to ratification of the Constitution of the World Health Organization; to the Committee on the Judiciary.

1888. By Mr. PATMAN: Petition of Mrs. William A. Hardin and 26 other members of

the Tapp Methodist Church, of New Boston, Tex., protesting against the inclusion of tobacco and American wine as a part of the aid to the peoples of Europe under the European recovery program; to the Committee on Foreign Affairs.

1889. By the SPEAKER: Petition of Mrs. Betty Wrin and others, petitioning consideration of their resolution with reference to the defeat of legislation titled "The Subversive Activities Control Act"; to the Committee on Un-American Activities.

SENATE

TUESDAY, MAY 11, 1948

(Legislative day of Monday, May 10, 1948)

The Senate met at 12 o'clock noon, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

O God our Father, be real to each one of us today, that we may become aware how near Thou art and how practical Thy help may be. Deliver us from going through the motions as though waiting for a catastrophe.

Save us from the inertia of futility.

Revive our spirit of adventuresome faith.

Give us nerve again and zest for living, with courage for the difficulties of peace.

Through Jesus Christ our Lord. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The Chief Clerk read the following letter:

UNITED STATES SENATE,

PRESIDENT PRO TEMPORE,

Washington, D. C., May 11, 1948.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. HARRY P. CAIN, a Senator from the State of Washington, to perform the duties of the Chair during my absence.

A. H. VANDENBERG,

President pro tempore.

Mr. CAIN thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Monday, May 10, 1948, was dispensed with, and the Journal was approved.

MESSAGE FROM THE PRESIDENT— APPROVAL OF BILLS

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on May 10, 1948, the President had approved and signed the following acts:

S. 981. An act for the relief of Carl W. Sundstrom;

S. 1132. An act to amend section 40 of the Shipping Act, 1916 (39 Stat. 728), as amended; and

S. 1630. An act for the relief of Louis L. Williams, Jr.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House